Royal Grammar School Guildford

England & Wales · Charity number 1177353

Details

Other names	RGS AND LANESBOROUGH
Status	Registered
Legal form	Charitable company
Company number	10874615
Registered	2018-02-27
Register	View on the Charity Commission register

Contact

Address	Royal Grammar School High Street Guildford GU1 3BB
Phone	01483880604
Email	cmp@rgsg.co.uk
Website	www.rgsg.co.uk

Activities

Objects: THE PROVISION AND CONDUCT IN OR NEAR GUILDFORD OF SCHOOLS FOR BOYS WHICH SHALL BE DAY SCHOOLS OR, IF THE GOVERNORS THINK FIT, DAY AND BOARDING SCHOOLS, AND ANCILLARY THERETO, THE ADVANCEMENT OF EDUCATION.

Activities: The objects are: 'The provision and conduct in or near Guildford of schools for boys which shall be day schools or, if the Governors think fit, day and boarding schools, and ancillary thereto, the advancement of education.'

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Children/young People

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Geography

- Hampshire
- Surrey
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£29,714,000	£29,097,000	£45,544,000	288
2024-07-31	£32,540,000	£27,051,000	£44,927,000	292
2023-07-31	£27,183,000	£26,834,000	£39,436,000	289
2022-07-31	£25,171,000	£24,149,000	£39,088,000	290
2021-07-31	£23,177,000	£22,140,000	£39,144,000	283
2020-07-31	£23,566,000	£22,228,000	£37,203,000	281

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Trustees

Name	Role	Appointed
Astrid Jenn-McAuliffe		2025-10-15
Calvin Wright Ngwena		2023-12-04
Canon Simon Butler		2024-03-18
Dr Lorraine Susan Kendrick Linton		2021-04-21
Faye Emily Carter		2022-03-21
Karen Tania Atkinson		2021-04-21
Kristina Spasic		2021-12-13
LORD RUPERT CHARLES WILLIAM BULLARD ONSLOW		2021-04-21
NICHOLAS EDWARD JOHN VINEALL QC		2021-04-21
Nicola Katrin Vale Nelson-Smith		2021-04-21
Peta-Anne Barrow		2024-10-01
Professor Helen Treharne		2021-04-21
Professor Matthew James Humphreys		2021-04-21
Robert Nicholas Waterhouse		2023-12-04
SARAH KATHLEEN CREEDY MA		2021-04-21
SIMON GEORGE STANFORD GIMSON		2021-04-21
STEPHEN MEREDITH		2022-12-05
Thomas Edward Lingard		2021-04-21

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Linked charities

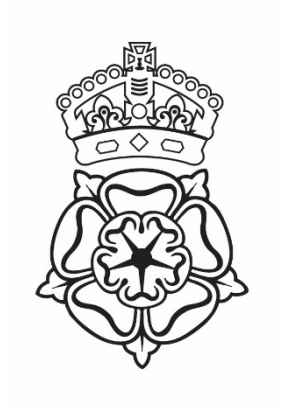
- KING EDWARD VI'S GRAMMAR SCHOOL (THE ROYAL GRAMMAR SCHOOL) GUILDFORD (1177353-1)
- LADY KATIE MAGNUONS TRUST (1177353-10)
- THE HULME PRIZE (1177353-11)
- MARTIN WILLIAMSON TRAVELLING EXHIBITION (1177353-12)
- HUGH BISHOP MEMORIAL PRIZE (1177353-13)
- THE R O GRIFFITHS MEMORIAL PRIZE (1177353-14)
- C M POWELL PRIZES (1177353-15)
- A J B GREEN FRENCH ESSAY PRIZE FUND (1177353-16)
- LAWRENCE POWELL MUSIC AND ART PRIZE FUND (1177353-17)
- FIRST SCHOLARSHIP AND BURSARY FUND (1177353-2)
- SECOND SCHOLARSHIP AND BURSARY FUND (1177353-3)
- BATTERSON PRIZE MEDAL FUND (1177353-4)
- C H BISHOP GREEK PRIZE (1177353-5)
- MELLERSH PRIZE (1177353-6)
- SIR HARRY WAECHTER (1177353-7)
- MERRIMAN MEMORIAL FUND (1177353-8)
- H A POWELL PRIZE FUND (1177353-9)

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Royal Grammar School Guildford

England & Wales - Charity number 1177353

Accounts



Royal Grammar School Guildford

Annual Report & Financial Statements

For the Year Ended

31 July 2025

Charity Number 1177353
Company Number 10874615

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1. Introductory statement

Royal Grammar School Guildford (RGSG, "The School") presents its annual report (including the Trustees' Report) together with the audited accounts for the year ended 31 July 2025 and confirms that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2019.

2. Reference and Administrative details

2.1 Legal and Administrative information

Company and Charity Name: Royal Grammar School Guildford
Charity Registration Number: 1177353 (with the Charity Commission for England and Wales)
Company Registration Number: 10874615 (in England and Wales)

Registered Office and Principal Address:
Royal Grammar School
High Street
Guildford
Surrey
GU1 3BB
United Kingdom

Legal Status: A charitable company limited by guarantee and not having a share capital. The charity is governed by its Articles of Association.

2.2 Governing Body (Trustees and Directors of the Charitable Company)

The Governors of the School, Directors of the company and Trustees of the charity during the year and since the year end are listed below.

	Name	Role(s)	Date of appointment	Date of resignation
F,N,E,P	Mrs S K Creedy MA	Chairman of Governors	Mar 2004	
E	Dr L S K Linton MA MB ChB MRCP		Mar 2010	
F	Mr NEJ Vineall KC MA		Dec 2010	
	The Earl of Onslow, High Steward of Guildford		Sep 2012	
F, N	Mrs H Styche-Patel BSc, MBA	Vice-Chairman of Governors Chairman of Nominations Committee	Dec 2016	Resigned 15 Oct 2025
E	Mr SGS Gimson, MSc (Def Tech)		Mar 2016	
E	Mrs F E Carter BA PGCE		Mar 2022	
P	Mrs N Nelson-Smith BA		Dec 2018	

P,N	Mrs M-L Logue MA	Chairman of RGSG Prep Committee Vice-Chairman of Governors	Mar 2019	
E	Prof MJ Humphreys MBE PhD LLB PFHEA		Jul 2019	
P	Mrs K Atkinson BDS		Jul 2020	
F, N	Mr T Lingard BSCI MINSTP	Vice-Chairman of Governors Chairman of Nominations Committee	Dec 2020	
E	Prof H Treharne BSc MSc PhD SFHEA FBCS		Dec 2020	
E, N	Mr M Windsor BA MA		Jul 2021	
F	Ms K Spasic ACMA CGMA		Dec 2021	
F, N	Mr S Meredith BA FCA ChA	Chairman of Finance & General Purposes Committee	Dec 2022	
	Mr M More-Molyneux, Lord Lieutenant of Surrey		Jan 2023	
E	Mr C W Ngwena		Dec 2023	
F	Mr R Waterhouse		Dec 2023	
P	Canon S Butler BSc CNAA MA		Mar 2024	
P	Mrs PA Barrow BCom LLB		Oct 2024	Appointed 1 Oct 2024
E	Mrs A McAuliffe	Chairman of Education Committee	Oct 2025	Appointed 15 Oct 2025

F	Members of the Finance and General Purposes Committee
P	Members of the RGSG Prep Committee
E	Members of the Education Committee
N	Members of the Nominations Committee

2.3 Executive Team

Name	Role
Dr JM Cox BSc PhD	Headmaster
Mr T Freeman-Day BA PGCE	Head (RGS Prep)
Mr Sam Maiden	Chief Strategy Officer
Mrs RF Whitham BSc MBA	Director of Finance and Operations and Clerk to the Governors
Mr Adrian Woodman	Senior Deputy Head (RGS)
Mrs Jill Thorpe	Deputy Head (RGS)

2.4 Company Secretary:

Mrs RF Whitham BSc MBA

2.5 Professional Advisers

Principal Bankers
National Westminster Bank Plc
Guildford Commercial Office

PO Box 1, 2nd Floor G3
2 Cathedral Hill
Guildford
Surrey GU1 3ZR

Independent Auditors
HaysMac LLP
10 Queen Street Place
London EC4R 1AG

Principal Solicitors
Moore Barlow LLP
The Oriel
Sydenham Road
Guildford
Surrey GU1 3SR

3. Trustees' Report (incorporating the Strategic and Directors' Reports)

3.1 Strategy and Objectives

The Royal Grammar School Guildford is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association. It is registered with the Charity Commission and Companies House. The School's charitable object is the advancement of education. This is achieved through the provision of high-quality academic, pastoral, and co-curricular education to pupils aged 3 to 18.

The School's strategic aim is to deliver an academically rigorous, personally enriching, and socially responsible education that prepares pupils to thrive in a rapidly changing world. This is achieved through a broad and balanced curriculum, a strong co-curricular programme, and a commitment to pastoral care and inclusion. The School continues to invest in facilities, digital infrastructure, and staff development to support long-term educational outcomes and operational resilience. It also seeks to widen access through bursary provision and to deliver public benefit through outreach and partnership with the wider community.

3.2 Achievements and Performance

Academic performance remained strong across both the Senior and Prep Schools. At A-Level, 36% of grades were awarded at A*, with 93% of pupils accepting offers from Russell Group universities. GCSE results were equally impressive, with over two-thirds of grades at 8 or 9.

At RGS Prep, pupils achieved excellent outcomes across a wide range of subjects, supported by specialist teaching and a rich curriculum. A significant number of scholarships were awarded to pupils progressing to senior schools, reflecting the breadth of talent and commitment among pupils and staff.

The School's co-curricular programme continues to be central to its ethos, supporting the development of character, creativity, and leadership. Pupils participated in academic competitions, Olympiads, national conferences, educational visits, workshops, and residential trips.

Sport plays a vital role in school life, with pupils representing the School at local, regional, national, and international levels. The School promotes both high performance and inclusive participation, encouraging teamwork, resilience, and enjoyment.

The arts also flourished, with pupils involved in music ensembles, choirs, drama productions, and exhibitions. Performances took place both within the School and at external venues, showcasing the creativity and talent of pupils across all age groups.

3.3 Public Benefit Statement

RGS Guildford exists to provide an exceptional education to boys aged 3 to 18. In fulfilling this charitable purpose, the Governors have had due regard to the Charity Commission's guidance on public benefit, as required under the Charities Act 2011.

The School is committed to ensuring that financial circumstances are not a barrier to accessing the education it offers. Means-tested bursaries are available to support families who would not otherwise be able to afford the fees. In the reporting year, 74 pupils received bursarial support totalling £1.2 million, including 35 boys who were granted full fee remission for at least one term. Where appropriate, additional support was also provided for associated costs such as transport, meals, and examination fees. The School continues to prioritise widening access as a central element of its charitable mission.

Beyond financial assistance, RGS Guildford delivers significant public benefit through its extensive programme of community engagement, educational partnerships, and outreach. The School is a founding member of the West Surrey Partnership (WSP), a collaboration between independent and maintained schools in the Guildford area. Through this partnership, RGS plays a leading role in shaping and delivering a wide range of enrichment activities focused on literacy, STEAM, sustainability, and leadership. Events in the past year have included a Year 12 sustainability conference, a Year 9 engineering challenge, a Year 6–7 literacy quiz, and science and robotics workshops for primary pupils. RGS staff contribute to the strategic direction of the partnership and lead the organisation of its events.

The School is also an associate member of the Learning Partners Multi Academy Trust (LP MAT), and its staff hold governance roles across several local schools. RGS teachers provide direct classroom support in subjects such as Physics, Latin, and French, and the School offers targeted academic mentoring to pupils at Kings College, including Sixth Form-led maths enrichment and revision sessions. An Assistant Head also serves as the safeguarding governor for Kings College, reflecting the School's commitment to long-term, meaningful partnership.

RGS Guildford leads the IMAG (Inspiring Minds Across Guildford) programme, which offers academic enrichment events to pupils from across the Guildford 11–19 Partnership. In 2023–24, over 20 events were delivered by six different organisations, reaching around 350 pupils from more than 10 schools. These events are designed to stretch and inspire high-potential learners and to foster collaboration between schools.

The School's outreach work with primary schools is extensive. The RGS Strings Scheme provides weekly violin and cello lessons to all Year 4 pupils at Sandfield and Boxgrove Primary Schools, with opportunities for continued learning in Years 5 and 6. The Primary Masterclasses programme welcomed around 140 Year 6 pupils from over 25 schools for Saturday morning sessions in subjects ranging from science and languages to creative arts and humanities. The Tudor Experience Day brought over 550 pupils from eight schools to RGS for immersive, curriculum-linked activities in history, music, drama, and art, with transport provided by the School.

RGS Sixth Form pupils are actively involved in volunteering and community service. They run clubs in local primary schools, support maths enrichment at Kings College, and engage with residents at Abbot's Hospital through oral history projects. These activities are embedded in the School's co-curricular programme and reflect its ethos of service and civic responsibility.

Internationally, RGS Guildford maintains strong partnerships with schools and communities abroad. In collaboration with Tormead School, the School supports Bhu Pu School in Besisahar, Nepal, through fundraising, cultural exchange, and volunteering. In 2023, a joint expedition of around 20 pupils visited Nepal to contribute to educational and community projects. A further expedition to Cambodia in 2024 included a charitable initiative supporting sustainable farming in rural areas. These partnerships not only benefit the communities involved but also foster global awareness and empathy among RGS pupils.

The School also supports displaced young people through its partnership with the Big Leaf Foundation, providing weekly access to its sports facilities for training sessions. Additional community contributions include public concerts, open days, careers seminars, and subject-specific outreach events involving pupils and teachers from across the region.

Through these wide-ranging initiatives, RGS Guildford continues to deliver meaningful public benefit in line with its charitable objectives. The School's commitment to access, partnership, and service ensures that its educational resources and expertise are shared widely, both locally and internationally, in pursuit of the common good.

3.4 Structure, Governance and Management

RGS Guildford is constituted as a company limited by guarantee with charitable status. It is overseen in accordance with its founding constitutional documents and is formally registered with the Charity Commission and Companies House.

1509 Group is the holding company which retains control of RGS Guildford and its other subsidiaries. All 1509 Group subsidiaries report independently but their figures are consolidated into those of 1509 Group.

The Board of Governors, who are also the charity's trustees and company directors, is responsible for the overall governance and strategic direction of the School. Governors are appointed through a formal recruitment process and receive induction and ongoing training to support their role.

The Board meets formally at least three times a year, with additional sub-committee meetings held each term. Committees include Education, Finance & General Purposes, Nominations & RGS Prep, each with delegated authority and scope of reference.

Day-to-day management of the School is delegated to the Headmaster, Head, and the rest of the Executive team[1] who are accountable to the Board for the delivery of the School's educational and operational objectives.

Remuneration of staff, including the Executive team, is set by the Board to ensure competitive packages that attract and retain high quality staff. Pay levels are reviewed annually against benchmarking data from comparable independent schools, with sensitivity to wider employment conditions. Staff costs represent the largest element of charitable expenditure, reflecting the School's reliance on its employees to deliver its charitable objectives.

[1] The Executive team comprises the Headmaster, Head, Senior Deputy Head, Deputy Head, Chief Strategy Officer and Director of Finance and Operations.

3.5 Financial Review

3.5.1 Results for the year

During the year to 31 July 2025 the School generated net income of £0.6m, £4.9m below the prior year (2023/24: £5.5m). This comprised an unrestricted surplus of £157k from School operations and a restricted surplus of £460k from the Development and Alumni Relations Office ('DARO')[2] . Net income was lower in 2024/25 because 2023/24 net income included two significant non-recurring items: a £2.4m donation of net assets on the merger of the Foundation with the School[3], and a £1.75m credit from release of the Surrey County Council defined benefit pension liability[4].

The School's income of £29.7m was £2.8m (9%) below 2023/24 (£32.5m) reflecting:

- lower school fees receivable (-£1.1m) from lower average fees per pupil (-5%) partly offset by slightly higher pupil numbers (2024/25: 1,313; 2023/24: 1,304);
- lower donations and legacies, mainly due to the non-recurring 2023/24 donation of net assets from the merger of the Foundation with the School (-£2.2m); partly offset by
- higher income from investments due to higher average cash balances (+£0.2m) and other income including non-recurring insurance proceeds (+£0.3m).

From January 2025, in response to the implementation of VAT on school fees, the School lowered the fee net of VAT so that the total fee payable by parents, including VAT, increased by 3% compared to Michaelmas 2024. The School is sharing the impact of VAT evenly with parents, the parental share being passed on through three incremental fee increases each of 3%, in January 2025, September 2025 and September 2026. As a result, the average 2024/25 fee was 5% below the average 2023/24 fee.

Expenditure was £2m higher (2024/25: £29.1m; 2023/24: £27.1m), attributable to the £1.75m non-recurring exceptional pension credit in 2023/24 and higher staff costs (+£0.5m, including the impact of higher employer national insurance from April 2025), partly offset by lower other costs (-£0.25m, including lower academic, utilities, maintenance and catering costs), in turn partly offset by higher fees in advance discount and business rates after the loss of charitable rates relief in April 2025.

The School generated cash sufficient to cover £1.8m capital expenditure on its facilities (see note 6).

With VAT on school fees applying since January 2025 and continuing pressure on family finances from inflation, the political and economic background remains challenging. Despite this, demand for places at the School remains strong, and the School believes pupil numbers will remain stable for the foreseeable future. The Governors have considered the impact of these factors on the School's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

3.5.2 Reserves level and policy, and financial viability

At 31 July 2025 the School had total funds of £45.5m. Of this, £2.8m was held in restricted funds not available for general use (notably the £2.7m Foundation bursary fund) and £39m was held in designated funds, principally the £38.9m tangible fixed asset fund, being funds invested in fixed assets which are not available except through the sale of fixed assets. At 31 July 2025 the Group's free reserves were £3.8m, broadly corresponding to net current assets excluding fees in advance.

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[2] DARO assumed the functions of The Royal Grammar School, Guildford Foundation ('the Foundation'), which merged with the School in July 2024.

[3] See note 20.

[4] See note 16.

The School aims to maintain adequate reserves to ensure financial stability and to safeguard against unforeseen expenditure or reductions in income. Reserves are held to:

- Provide working capital and manage cash flow needs.
- Protect against unexpected events or emergencies.
- Support planned investment in our educational facilities and resources, in support of our charitable purposes.

The Trustees review the level of reserves annually to ensure they remain appropriate for the School's size, activities, and future plans.

Typically, charities aim to hold reserves equivalent to between 3 and 6 months' operating expenditure (excluding depreciation). Based on the 2025/26 budget, a reserves target of 3 months' operating expenditure would mean holding approximately £6.5m reserves, more than the £3.8m actual reserves at 31 July 2025.

The School and its Trustees have accepted the need to use some reserves to cover the impact of VAT in 2025/26 and to fund strategic projects and investments that will strengthen the School's sustainability and enhance its provision. In doing so, the School aims to subsequently rebuild reserves over a sustained period to at least £6.5m within the following 3–4 years, sufficient to cover 3 months' operating expenditure.

For the going concern and liquidity risk assessment the School prepared an 18 month phased cash forecast comprising a 'base case' of forecast income and expenditure, and adverse scenarios including lower pupil numbers, although pupil numbers are stable and demand for places at the School remains robust. The results of this analysis indicate that the School will maintain sufficient cash, even in the adverse scenarios, to meet its obligations as they fall due during the forecast period.

Having regard to the above, the Governors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3.5.3 Investment Policy, Objectives and Performance

The School's Investment Policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs, which may include UK gilts), which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the School.
- To have due regard when investing funds to the fact that some funds held by the School are due to be returned to parents when their son leaves the School, or are payment in advance for provision of education in the future.

The School set 2024/25 investment objectives as follows:

- to earn a return exceeding the fees in advance ('FIA') discount given to parents and ensure that throughout the FIA agreement term funds are available when needed to deliver the services for which parents have paid.
- to achieve returns on funds invested above the RPI inflation rate and the Bank of England base rate while remaining weighted towards cash and fixed income.

In 2024/25 the School earned an average return on treasury deposits broadly in line with the FIA discount given to parents, above the Bank of England base rate and CPI inflation, but slightly below RPI inflation. The School is investigating how best to optimise returns earned from its cash balances.

3.6 Fundraising

Until July 2024 fundraising for School funding priorities was carried out by The Royal Grammar School, Guildford Foundation ('the Foundation'), which raised funds for bursaries. In July 2024 the Foundation merged with, and became a cost centre of, the School, and is now called the Development and Alumni Relations Office ("DARO") (see note 20).

DARO's fundraising activities are carried out by an in-house staff team. DARO adheres to the Fundraising Regulator's Code of Fundraising Practice. The Governors oversee fundraising activity through regular reporting to the Finance and General Purposes Committee, ensuring that all campaigns are conducted transparently, ethically, and in line with regulatory requirements.

The School is committed to protecting donors and the wider public. Fundraising activities are designed to ensure that donors are treated fairly and respectfully, and particular care is taken not to approach individuals who may be in vulnerable circumstances. Donor preferences regarding communications are honoured, and all personal data is managed in accordance with data protection legislation.

A clear complaints procedure is in place. Any complaints received are logged, investigated promptly, and reported to the Governors, with outcomes used to improve practice. No complaints were received during the year. The Governors are satisfied that fundraising activities were conducted responsibly, and that the funds raised have been applied directly to the School's charitable purposes.

3.7 Principal Risks and Uncertainties

The Governors regularly review the principal risks facing the School and the systems in place to manage them. A comprehensive risk register is maintained and updated at least annually, or more frequently as circumstances require. Risk assessments are reviewed by the relevant Committees before being considered by the Board. Key risks identified during the year include:

- Cybersecurity threats, including data breaches or system failures. Mitigation includes regular system reviews, disaster recovery planning, policy updates, and staff training.
- Economic uncertainty, which may impact fee income and increase demand for bursary support. The School continues to monitor fee levels, manage costs, and maintain prudent financial planning.
- Regulatory and political change, including potential tax reforms affecting independent schools. The School monitors policy developments and models financial scenarios to prepare for change.
- Reputational risk, arising from incidents affecting pupil safety, compliance, or public perception. Policies and procedures are regularly reviewed to ensure high standards of safeguarding, health and safety, and regulatory compliance.
- Leadership continuity, particularly the retention of key senior staff. Succession planning and leadership development are in place to reduce dependency on individuals.

- Disruption to education delivery, including pandemics or other emergencies. The School's digital infrastructure and remote learning capabilities have been significantly enhanced to ensure continuity of education.

The Governors are satisfied that appropriate systems and resources are in place to manage these risks effectively and to support the School's ongoing operations and strategic development.

3.8 Future Plans

The School's strategic plan is agreed by the Governors and reviewed annually to ensure alignment with its charitable objectives and long-term strategy. The coming years will see the School build on its strong foundations while embracing significant and forward-looking change.

A key strategic development is the decision to become a fully co-educational school from September 2027, announced in December 2025. This reflects the School's commitment to providing an inclusive, values-driven education that prepares all pupils for a bright future. Girls will be welcomed into RGS Prep in Nursery, Reception and Year 3, and into RGS Senior in the Lower Sixth from September 2027. From September 2028, girls will also join Year 7. Planning for this transition is well underway, with a focus on curriculum, staffing, facilities, and pastoral care to ensure a smooth and successful implementation.

Other strategic priorities for the year ahead include:
- Enhancing the pupil experience through investment in teaching, co-curricular provision, and wellbeing support.
- Continuing to fulfil the School's charitable aims by offering means-tested bursaries, sharing educational best practice, and delivering public benefit through outreach and partnership.
- Supporting staff development and welfare to sustain a high-performing and inclusive professional community.

These priorities are underpinned by detailed development plans across all areas of the School, ensuring that the organisation remains well-positioned to deliver an exceptional education and to meet the evolving needs of its pupils and community.

3.9 Section 172(1) Statement

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies.

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, beneficiaries and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between beneficiaries of the Company.

i) Beneficiaries

The beneficiaries of the organisation are the pupils, and the Directors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the Strategy and Objectives and Achievements and Performance, sections above.

ii) Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.

The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and the Directors consider these to be of great importance. Further detail is provided under the Employee Matters section of the Trustees' Report.

iii) Community and Environment

The School is at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the Public Benefit section of the Trustees' Report.

iv) Decision making, risk management and governance and performance oversight

The full board of Governors meets three times a year with additional committee meetings taking place each term. Each committee has a specific focus but considers the overall impact of decisions on the wider organisation.

v) Culture and Values

The values of each school are embedded within every area of the School and curriculum to form a way of life for pupils, parents, staff and our wider community and partners.

3.10 Energy and Emissions Report

In accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, the School is required to disclose its annual energy consumption and associated greenhouse gas emissions. This report covers all educational and ancillary activities across the Royal Grammar School Guildford estate. The following table provides a high-level breakdown of energy usage and emissions over the past three financial years.

Source	**Year**	**Energy (kWh)**	**Mileage**	**Emissions (kgCO2e)**	**Emissions (tCO2e)**
Gas	2024-25	1,732,629	n/a	317,002	317
	2023-24	1,618,425	n/a	296,010	296
	2022-23	1,825,619	n/a	328,611	329
Electricity	2024-25	1,008,327	n/a	176,346	176

	2023-24	1,063,023	n/a	220,099	220
	2022-23	1,040,431	n/a	215,446	215
Transport	2024-25	88,581	59,600	21,346	21
	2023-24	92,872	58,200	22,198	22
	2022-23	84,525	57,500	20,286	20
Total	2024-25	2,829,537	59,600	514,694	515
	2023-24	2,774,320	58,200	538,307	538
	2022-23	2,950,575	57,500	564,343	564

In the year to 31 July 2025, the School consumed 2.83 million kWh of energy and generated 515 tonnes of CO_2 equivalent emissions ('tCO_2e'). This represents a slight increase in energy use compared to the previous year (2.77 million kWh and 538 tCO_2e in 2023–24), but a modest reduction in emissions, reflecting ongoing energy efficiency measures. Gas and electricity remain the primary sources of energy, with transport-related emissions accounting for 21 tCO_2e, based on 59,600 miles travelled.

Emissions have been calculated using the 2025 UK Government conversion factors published by the Department for Business, Energy and Industrial Strategy. The School uses an intensity metric based on pupil numbers to assess carbon performance. In 2024–25, the average emission per pupil was 392 kg CO_2, down from 413 kg CO_2 in the previous year.

The School continues to invest in energy efficiency as part of its rolling programme of maintenance and refurbishment. During the year, LED lighting was further rolled out across the estate, and older single-glazed windows and inefficient doors were replaced to reduce heat loss. Boiler systems were upgraded to more efficient models, and refurbishment projects prioritised recycling and the use of registered waste carriers over landfill.

Solar panels on the North Building continue to contribute to the School's renewable energy mix. The School also completed its ESOS (Energy Savings Opportunity Scheme) reporting, which has informed more targeted energy-saving goals.

Sustainability is embedded in the School's culture through an active environmental committee, which promotes awareness and drives initiatives across the community. The School's vehicle fleet is increasingly compliant with ULEZ standards, and electric vehicle charging points are available on site. Air quality is monitored both internally and with third-party support, and sustainability is a key consideration in all future building plans.

Waste management practices have also improved, with food waste now collected separately and monitored by catering contractors. Recycling and general waste systems are regularly reviewed to maximise effectiveness. The School also seeks to work with energy suppliers that prioritise renewable sources and carbon neutrality.

The Governors remain committed to reducing the School's environmental impact and to promoting sustainability across all areas of operation.

3.11 Employee Matters

The Governors recognise that the School's staff are central to the delivery of its charitable objectives. Recruitment, retention, professional development, and wellbeing remain key priorities. The School promotes a supportive and inclusive working environment, underpinned by policies on equality, diversity, and safeguarding.

Investment in staff training and development continues to be a focus, ensuring that employees have the skills and opportunities needed to thrive. Staff views are actively sought through surveys, consultation forums, and regular engagement with leadership, and the Governors are committed to acting on feedback to improve working practices.

The School places strong emphasis on wellbeing, offering access to counselling, flexible working arrangements where possible, and initiatives to support physical and mental health. Governors monitor staff turnover, absence, and satisfaction indicators as part of their oversight of organisational performance.

The Governors are committed to ensuring that all employees feel valued, respected, and supported, and that the School remains an employer of choice within the education sector.

3.12 Statement of Directors' Responsibilities

The Trustees of RGSG (who are also Directors of for the purposes of Charity law) are responsible for preparing the Annual report (incorporating the Strategic and Directors' 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors and Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and

- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Annual Report which includes the Strategic and Directors' Report was approved by the Directors and Trustees and signed on its behalf by:

S K Creedy

_____

23 January 2026
Mrs S K Creedy - Director

Independent Auditor's Report to the Members of the Royal Grammar School Guildford

Opinion

We have audited the financial statements of the Royal Grammar School Guildford for the year ended 31 July 2025 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the Strategic and Directors' Reports prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic and Directors' Reports included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the Strategic and Directors' Reports).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

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

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

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to regulations related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

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

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

Use of our report

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

Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 1 February 2026

Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2025

	Note	Unrestricted Funds	Restricted Funds	2024-2025 Total	2023-2024 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2	26,135	0	26,135	27,260
Other educational income	3 (a)	1,392	0	1,392	1,478
Other ancillary trading income	3 (b)	485	0	485	377
Donations and Legacies					
Donation of net assets of the Foundation		0	0	0	2,433
Other donations and legacies		0	637	637	458
Investments					
Income from Investments		471	86	557	308
Other income	3 (c)	508	0	508	226
Total income		28,991	723	29,714	32,540
Expenditure on:					
Raising Funds					
Finance costs	4 (a)	318	0	318	106
Charitable activities					
Schools and grant making	4 (b)	28,488	277	28,765	28,681
Ancillary trading	4 (b)	14	0	14	18
Exceptional pension credit	16 (v)	0	0	0	(1,754)
Total Expenditure		28,820	277	29,097	27,051
NET INCOME BEFORE INVESTMENT GAINS		171	446	617	5,489
Net gain/(loss) on investments		0	0	0	2
NET INCOME		171	446	617	5,491
Transfers between funds	13 (d)	(14)	14	0	0
NET MOVEMENT IN FUNDS		157	460	617	5,491
Fund balances brought forward at 1 August 2024		42,588	2,339	44,927	39,436
FUND BALANCES carried forward at 31 July 2025		42,745	2,799	45,544	44,927

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 20 to 37 form part of these Financial Statements.

Company number 10874615

	Note		2025		2024
FIXED ASSETS		£000	£000	£000	£000
Tangible fixed assets	6		39,630		39,864
CURRENT ASSETS					
Stocks	7	16		56	
Debtors	8	1,457		1,203	
Cash	9	15,608		18,363	
		17,081		19,622	
CURRENT LIABILITIES					
Creditors payable within one year	10	(8,041)		(9,616)	
NET CURRENT ASSETS			9,040		10,006
TOTAL ASSETS LESS CURRENT LIABILITIES			48,670		49,870
LONG TERM LIABILITIES					
Creditors payable after one year	11		(3,126)		(4,943)
TOTAL NET ASSETS			45,544		44,927
Represented by:	13				
RESTRICTED FUNDS			2,799		2,339
UNRESTRICTED FUNDS					
Designated Funds		38,966		38,983	
General Funds		3,779		3,605	
UNRESTRICTED FUNDS			42,745		42,588
TOTAL FUNDS			45,544		44,927

Approved by the Board of the Royal Grammar School Guildford, on 23 January 2026 and signed on behalf of the Company by:

S K Creedy

Sarah Creedy - Director

Tom Lingard - Director

The accounting policies and notes on pages 20 to 37 form part of these Financial Statements.

	Note		2025		2024
NET CASH INFLOW FROM OPERATIONS		**£000**	**£000**	**£000**	**£000**
Net cash provided by operating activities	note (i)		232		7,028
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for tangible fixed assets	6	(1,801)		(4,288)	
Proceeds on sale of tangible fixed assets		15		14	
Proceeds on sale of investments		0		46	
Investment income and bank interest received		557		308	
Net cash (used in) investing activities			(1,229)		(3,920)
Cash flows from financing activities:					
Fees in advance (FIA)		(1,682)		6,486	
Overdraft repayment		(216)		(216)	
Finance lease		92		295	
Increase in parents' deposits		142		99	
Finance lease interest		(80)		(55)	
Other finance costs		(14)		(6)	
Net cash (used in)/provided by financing activities			(1,758)		6,603
Change in cash and cash equivalents in the reporting period	note (ii)		(2,755)		9,711
Cash and cash equivalents at 1st August 2024			18,363		8,652
Cash and cash equivalents at 31st July 2025			**15,608**		**18,363**

(i) Reconciliation of net income to net cash inflow from operating activities

	2025	2024
	£000	**£000**
Net income before investment gains	617	5,489
Non-cash exceptional pension credit	0	(1,754)
Elimination of non-operating cash flows:		
- Investment income	(557)	(308)
- Finance costs	94	64
(Profit) on sale of fixed assets	(6)	(2)
Depreciation	2,026	1,784
Decrease in stocks	40	1
(Increase) in debtors	(254)	(342)
Increase/(Decrease) in creditors (excluding FIA, deposit, leases)	(1,728)	2,096
Net cash inflow from operating activities	232	7,028

(ii) Analysis of changes in Cash and Cash equivalents

Analysis of balances at 31 July	Change in Year	2025	2024
	£000	**£000**	**£000**
Cash	(1)	4	5
Cash Equivalents	(2,754)	15,604	18,358
Changes in Cash and Cash equivalents from the School's operations	**(2,755)**	**15,608**	**18,363**

The accounting policies and notes on pages 20 to 37 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

The School holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at the School remains strong, with continuing high numbers enrolled in 2025/26. Collection of fee income continues to be robust. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet its obligations as they fall due. Accordingly, the governors believe the School's financial resources are sufficient to ensure there is no material uncertainty about the School's ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the governors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the governors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by the School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the School are credited to income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £5,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	-	2% per annum on a straight line basis
Furniture & Fittings	-	15% per annum on a straight line basis
Computer Equipment	-	33% per annum on a straight line basis
Photocopiers	-	20% per annum on a straight line basis
Motor Vehicles	-	20% per annum on a straight line basis
Playing Field Equipment	-	12.5% per annum on a straight line basis
Leasehold Property	-	over the length of lease
Leasehold Improvements	-	over the length of lease
Major Refurbishment	-	4% per annum on a straight line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

In the past the School also contributed to the Surrey County Council ("SCC") Superannuation Fund, a defined benefit scheme for support staff. With effect from 31 August 2021, as a consequence of dwindling employee membership, the School withdrew from this scheme. In 2023/24, SCC and the School signed an agreement whereby SCC released the School from its closing liability in respect of the SCC Superannuation Fund. Accordingly, an amount equivalent to the 2022/23 closing liability was credited to the SOFA in 2023/24, and there was no liability at 31 July 2024 or 31 July 2025.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Schemes.

Fees In Advance

The School accepts fees in advance ('FIA') lump sum payments in respect of certain pupils and in return undertakes to discharge defined amounts of the fees chargeable in respect of those pupils after 31 July 2025. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the FIA payment without addition of interest, or to continue to hold the FIA balance for payment of fees at a new educational establishment, where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. Under FRS 102 all deposits are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and

liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity the School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). VAT has applied to school fees and most other services since January 2025. Irrecoverable VAT is included with the cost of those items to which it relates.

The Royal Grammar School, Guildford Foundation ('the Foundation')

On 17 July 2024 the operations, asset and liabilities of the Foundation were transferred to School at the best estimate of their fair value at the date of transfer. Since the merger the Foundation has no income, expenditure or net assets, and will be wound up in due course.

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2025 £000	2024 £000
The school's fee income receivable comprised:		
Gross fees	27,542	28,679
Less: Total bursaries, scholarships and discounts	(1,719)	(1,810)
	25,823	26,869
Add back: Bursaries paid for by Restricted Funds	312	391
	26,135	27,260

Bursaries were awarded from Restricted/Unrestricted Funds to 74 individuals (2024: 75).

3. CHARITABLE INCOME - OTHER

(a) Other educational income	2025 £000	2024 £000
Sundry parental receipts	1,346	1,417
Registration fees	46	61
	1,392	1,478

(b) Other ancillary trading income	2025 £000	2024 £000
Income from recharges to International Activities	482	377
Other ancillary	3	0
	485	377

(c) Other income	2025 £000	2024 £000
Sub-lettings	153	0
Exceptional income - insurance proceeds	121	0
Gains on sale of tangible fixed assets	6	2
Other	228	224
	508	226

4. ANALYSIS OF EXPENDITURE

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2025 Total £000	2024 Total £000
Loan interest charge	0	0	0	0	0
Finance lease interest	0	80	0	80	55
Discount payable on Advanced Fees	0	224	0	224	42
Other finance costs	0	14	0	14	9
Total finance costs	0	318	0	318	106
(b) Charitable activities					
Schools and grant making					
Teaching	14,865	2,301	442	17,608	17,424
Welfare	93	1,450	0	1,543	1,616
Premises	645	2,876	1,232	4,753	4,747
Support costs of schooling	3,073	1,159	352	4,584	4,478
Grants, awards and prizes	0	277	0	277	416
School's operating costs	18,676	8,063	2,026	28,765	28,681
Ancillary trading costs	0	14	0	14	18
Total Charitable Expenditure	18,676	8,077	2,026	28,779	28,699
Exceptional pension credit	0	0	0	0	(1,754)
Total Expenditure	**18,676**	**8,395**	**2,026**	**29,097**	**27,051**

Prior year Analysis of Expenditure

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2024 Total £000	2023 Total £000
Finance costs	0	106	0	106	54
(b) Charitable activities					
Schools and grant making					
Teaching	14,867	2,326	231	17,424	16,072
Welfare	90	1,526	0	1,616	1,481
Premises	592	3,018	1,137	4,747	4,757
Support costs of schooling	2,642	1,420	416	4,478	4,118
Grants, awards and prizes	0	416	0	416	346
School's operating costs	18,191	8,706	1,784	28,681	26,774
Ancillary trading costs	0	18	0	18	6
Total Charitable Expenditure	18,191	8,724	1,784	28,699	26,780
Exceptional pension credit	0	(1,754)	0	(1,754)	0
Total Expenditure	**18,191**	**7,076**	**1,784**	**27,051**	**26,834**

(c) Governance costs included in support costs		
Auditors' remuneration *		
Current year charge	25	34
Prior year under-provision	(2)	0
Trustees' costs **	0	2
Governance costs	23	36

* Auditors' remuneration costs are exclusive of VAT in 2025 (inclusive of VAT in 2024)

** Trustees' costs related to expenses of £100. There are 21 Governors who are directors of RGS and RGS Prep. There was no Trustee remuneration during the year.

5. EMPLOYEES

	Teaching	Other	2025	2024
	£000	£000	£000	£000
Wages and salaries	10,711	2,904	13,616	13,434
Social security costs	1,294	419	1,713	1,583
Pension contributions	2,620	378	2,998	2,636
Other staff costs	240	110	350	538
	14,865	3,811	18,676	18,191

Average number of employees during the year	2025		2024	
	Full time	Part time	Full time	Part time
Teaching	126	46	135	40
Non Teaching	72	44	68	49
	198	90	203	89

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:	2025	2024
£60,001 - £70,000	49	40
£70,001 - £80,000	25	27
£80,001 - £90,000	14	11
£90,001 - £100,000	2	0
£100,001 - £110,000	3	3
£110,001 - £120,000	2	1
£120,001 - £130,000	0	1
£130,001 - £140,000	1	0
£170,001 - £180,000	1	0
£180,001 - £190,000	0	1
£280,001 - £290,000	0	1
£290,001 - £300,000	1	0
	98	85

A number of staff are not members of any pension scheme and the employer pension contribution is paid to them as part of their overall renumeration and is included in the pay bands above.

Pension contributions of £1,732k (2024 - £1,398k) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £1,422k (2024 - £1,146k) were made into a defined benefit pension scheme.

The aggregate emoluments of key management personnel including employer's pension contributions and National Insurance totalled £2,815k (2024 - £2,434k). Key management personnel comprised the Executive team (see section 2.3), senior school Assistant Heads and Senior Master, Prep school Deputy and Assistant Heads, and Managing Director The RGS Guildford International Ltd.

During the year there were sixteen redundancies or termination payments totalling £176k (2024: £60k for one termination).

No remuneration was paid to Governors during 2025. Expenses paid to Governors totalled £0.1k (2024: £0.3k) and related to Governors forum membership.

6. Tangible fixed assets

Cost and depreciation

	Computer Equipment	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Property	Total
Cost	£000	£000	£000	£000	£000
At beginning of year	2,253	53,608	2,129	4,551	62,541
Additions	531	936	38	296	1,801
Disposals	0	0	0	(65)	(65)
At end of year	2,784	54,544	2,167	4,782	64,277
Depreciation					
At beginning of year	1,557	16,188	1,247	3,685	22,677
Charge for the year	442	1,184	48	352	2,026
Eliminated on Disposal	0	0	0	(56)	(56)
At end of year	1,999	17,372	1,295	3,981	24,647
Net Book Value					
At end of year	785	37,172	872	801	39,630
At beginning of year	696	37,420	882	866	39,864

7. Stocks

	2025	2024
	£000	£000
Catering/cleaning stocks	16	22
School items for resale	0	34
Total stock	16	56

8. Debtors

	2025	2024
	£000	£000
Fee debtors	130	152
Less Provision for bad debts	(74)	(74)
Amounts due from other Group companies	120	217
VAT recoverable	326	0
Trade debtors	38	1
Prepayments	917	907
Total debtors	1,457	1,203

9. Cash

All cash balances are readily available. At 31 July 2025 £8,283,000 was held in current accounts and deposits maturing in less than 3 months (31 July 2024: £8,363,000), and £7,325,000 was held in deposits maturing after 3 months (31 July 2024: £10,000,000).

10. Creditors: due within one year

	2025	2024
	£000	£000
Trade creditors	661	1,300
Bank overdraft	787	1,003
Other creditors	697	1,567
Other taxes and social security	425	404
Accruals	244	298
Obligations under Finance Leases	315	257
Acceptance deposits	2,220	2,078
Fees received in advance	115	301
Advanced fees (see note 12)	2,577	2,408
Total creditors	8,041	9,616

The bank overdraft of £0.787m (2024: £1m) is secured by charges on the freehold and buildings of the school. The overdraft is repayable on demand and is therefore included in Creditors: due within one year.

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2025 have been included within current liabilities.

11. Creditors: due after more than one year

	2025	2024
	£000	£000
Bank loan (see below)	0	0
Obligations under Finance Leases	441	407
Advanced fees (see note 12)	2,685	4,536
	3,126	4,943

The obligations under finance leases relate to pupils' Microsoft Surface laptops.

The finance leases are payable:	2025	2024
	£000	£000
Within 1 to 5 years	441	407
Within one year (see note 10)	315	257
	756	664

12. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2025 £000	2024 £000
After 5 years	19	117
Within 2 to 5 years	1,293	2,314
Within 1 to 2 years	1,373	2,105
After more than one year (see note 11)	2,685	4,536
Within one year (see note 10)	2,577	2,408
	5,262	6,944

The balance represents the accrued liability under the contracts. The movements during the year were:

	2025 £000	2024 £000
Balance at beginning of year	6,944	458
New contracts	192	6,912
Amounts accrued to contracts	224	42
	7,360	7,412
Amounts utilised:		
In payment of fees	(2,098)	(468)
Balance at end of year	5,262	6,944

13. Allocation of the charity net assets

Major Restricted Funds:
Restricted Funds within the School comprise:

- The bursary fund transferred from the Foundation to the School as part of the merger on 17 July 2024, and
- A small number of ad hoc minor funds.

Major Unrestricted Funds:
Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less the overdraft. A transfer will be made to or from this reserve each year to maintain the relationship.
- A Designated Prize Fund and other minor designated funds.
- The undesignated general/capital development fund.

(a) The consolidated net assets at 31 July 2025 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Net current Assets/(Liabilities) £000	Long Term Liabilities £000	Total £000
Foundation bursary fund		0	2,677	0	2,677
Ad hoc minor funds		0	122	0	122
Total Restricted Funds		0	2,799	0	2,799
Unrestricted - designated funds					
Tangible Net Fixed Asset Fund	[1]	39,630	(787)	0	38,843
Prize		0	59	0	59
Ad hoc minor funds		0	64	0	64
Total Designated Funds		39,630	(664)	0	38,966
School General/Capital Development fund		0	6,905	(3,126)	3,779
Total Unrestricted Funds		39,630	6,241	(3,126)	42,745
Total Funds		39,630	9,040	(3,126)	45,544

1. The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and overdraft outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2024 £000	Investment income £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2025 £000
Foundation bursary fund	2,251	86	617	(277)	2,677
Ad hoc funds	88	0	34	0	122
Total Restricted funds	2,339	86	651	(277)	2,799

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2024 £000	Investment income £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2025 £000
Designated funds					
Tangible Net Fixed Asset Fund	38,861	0	(18)	0	38,843
Prize	60	0	(1)	0	59
Ad hoc minor funds	62	0	2	0	64
Total Designated funds	38,983	0	(17)	(0)	38,966
General					
School General/ Capital Development fund	3,605	471	(297)	0	3,779
Total Unrestricted Funds	42,588	471	(314)	(0)	42,745
Total Restricted and Unrestricted Funds	**44,927**	**557**	**337**	**(277)**	**45,544**

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
Transfer of general reserves to Designated Tangible Net Asset fund	18	(18)	0
Reclassification of ad hoc restricted funds from general fund	0	(14)	14

Comparative Allocation of charity net assets

(a) The consolidated net assets at 31 July 2024 are held for the various funds and advanced fees as follows:

		Buildings and Equipment	Net current Assets/Liabilities	Long Term Liabilities	Total
Restricted		£000	£000	£000	£000
Ad hoc minor funds		0	89	0	89
Donation of net assets of Foundation		0	2,250	0	2,250
Total Restricted Funds		0	2,339	0	2,339
Unrestricted - designated funds					
Tangible Net Fixed Asset Fund	[1]	39,864	(1,003)	0	38,861
Prize		0	60	0	60
Ad hoc minor funds		0	62	0	62
Total Designated Funds		39,864	(880)	0	38,983
School General/Capital Development fund		0	8,548	(4,943)	3,605
Total Unrestricted Funds		39,864	7,667	(4,943)	42,588
Total Funds		39,864	10,006	(4,943)	44,927

[1] The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and overdraft outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2023 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2024 £000
Bursary fund	1	0	0	391	(391)	1
Ad hoc funds	46	0	0	67	(25)	88
Foundation net assets	0	0	0	2,250	0	2,250
Total Restricted funds	47	0	0	2,708	(416)	2,339

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2023 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2024 £000
Designated funds						
Tangible Net Fixed Asset Fund	36,153	0	0	2,708	0	38,861
Prize	60	0	0	0	0	60
Ad hoc minor funds	65	0	0	(3)	0	62
Total Designated funds	36,278	0	0	2,705	0	38,983
General funds						
School General/Capital Development Fund	4,865	308	2	(1,753)	183	3,605
Pension Fund Liability	(1,754)	0	0	1,754	0	0
Total Unrestricted Funds	39,389	308	2	2,706	183	42,588

14. Operating Leases

As at 31 July 2025, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	**2025**	**2024**
	£000	**£000**
Under 1 year	145	145
More than 1 year and less than 5 years	157	302
	302	447

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2025 were £144,972 (2024 - £144,972).

15. Capital Commitments

At 31 July 2025 there were no capital works authorised and contracted but not provided for in these accounts (2024: £404k).

16. Pension Obligations

a. Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,107,550 (2023/24 - £2,120,055) and at the year-end £0 (2023/24 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Since April 2024 the cost to the School of the total TPS employer contribution has been capped with staff contributing the difference between the cap and the new rate of 28.68%. Teachers are able to opt out of the TPS and join a defined contribution pension plan with a total employer cost, including benefits, at the same level as the cap.

b. Surrey County Council Superannuation Scheme

Until 31 August 2021, the School participated in a defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme ("SCC"), which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations

portion of the pension scheme deficit, and the value of the cessation deficit as at 31 August 2021 was £1,754,000. This liability appeared in creditors at 31 July 2023.

The net pension liability on the Balance Sheet at 31 July 2023 of £1,754,000 was the liability at the point of cessation on 31 August 2021 calculated as an update to the most recent full revaluation of the scheme at 31 March 2019. A reconciliation from the full revaluation at 31 March 2019 to the cessation valuation in these accounts is provided in Note (iv) below.

In 2023/24, SCC and the School signed an agreement whereby SCC released the School from the net pension liability. Accordingly, £1,754,000 was credited to the Statement of Financial Activities and there was no liability at 31 July 2024 or 31 July 2025.

		Cessation Valuation 31/8/2021 £000	Valuation 31/3/2019 £000
i)	**Funding Position at 31 August 2021 (cessation date):**		
	Liabilities		
	Active	0	2,066
	Deferred	2,078	517
	Pensioner	6,272	2,589
		8,350	5,172
	Assets	6,596	5,916
	Surplus/(Deficit)	(1,754)	744

ii)	**Actuarial Assumptions - Financial Assumption:**		
		£000	**£000**
	Discount rate/anticipated investment returns		
	Pre-retirement	1.0%	4.2%
	Post- retirement	1.0%	4.2%
	Salary increases	3.3%	3.2%
	Benefit increases	2.4%	2.3%

iii)	**Actuarial Assumptions - Longevity Assumption:**		
	Life expectancy from age 65 years	**£000**	**£000**
	Current pensioners		
	Male	22.3	22.1
	Female	24.4	24.3
	Future pensioners		
	Male	23.4	22.9
	Female	26.1	25.7

iv)	**Changes in the fair value of the scheme assets are as follows:**		
		£000	**£000**
	Surplus/(deficit) at 31 March 2019		744
	Interest on surplus/(deficit)	78	
	Investment outperformance	318	
	Contributions greater than cost of accrual	394	
	Change in market conditions	(63)	
	Move to cessation funding assumptions	(3,077)	
	Membership experience	(148)	
			(2,498)
	Deficit at 31 July 2023		(1,754)
	Credit for release of liability		1,754
	Surplus/(Deficit) at 31 July 2024		0

v)	**The amounts included in the Statement of Financial Activities are as follows:**	**2025 £000**	**2024 £000**
	Total Amount credited to the Statement of Financial Activities	0	1,754

17. Analysis of Net Funds/(Debt)

	As at 31 July 2024 £000	Other Movements	Cash Flow £000	As at 31 July 2025 £000
Net cash balances	18,363	0	(2,754)	15,608
Creditors: due within one year				
Finance leases	(257)	(58)	0	(315)
Bank overdraft	(1,003)	0	216	(787)
Advance Fee agreements	(2,408)	0	(169)	(2,577)
Creditors: due after more than one year				
Finance leases	(407)	(34)	0	(441)
Advance Fee agreements	(4,536)	0	1,851	(2,685)
	9,752	(92)	(856)	8,803

18. Related party transactions

1509 Group, registered charity number 1084866, company number 4104101, is the parent company of the School, and all other companies in the group. The School is the sole voting member of the Foundation (The Royal Grammar School, Guildford Foundation), registered charity number 1089955, company number 4232306. On 17 July 2024 the Foundation merged with, and became a cost centre of, the School.

The RGS Guildford International Limited, company number 09633181, RGS Guildford International (Dubai) Limited, company number 11422203, RGS Guildford International (China) Limited, company number 12104738, RGS Guildford Enterprises Limited, company number 12248925 and RGS Guildford International (Oman) Limited, company number 13833679 are all subsidiaries of the 1509 Group.

During the year the Royal Grammar School Guildford charged the RGS Guildford International Ltd £178,840 (2024 - £121,483) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £70,150 (2024 - £44,934).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Dubai) Ltd £86,016 (2024 - £67,493) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £116 (2024 - £25,890).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (China) Ltd £86,016 (2024 - £67,493) relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £334 (2024 - £25,960).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Oman) Ltd £86,016 (2024 - £67,493) relating to time spent on International work. At the end of the year RGS Guildford International (Oman) Ltd owed the School £34 (2024 - £25,739).

During the year the Royal Grammar School Guildford charged the RGS Guildford Enterprises Ltd £44,725 (2024 - £53,176) relating to time spent on International work. At the end of the year RGS Guildford Enterprises Ltd owed the School £0.00 (2024 - £61,548).

During the year there were no donations from the Governors to the School.

19. Control

1509 Group, registered charity number 1084866, company number 4104101, is the holding company of the School, and the ultimate parent company of the group. The group accounts are available from 1509 Group registered office, at The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

20. Merger of the Foundation with the School

On 17 July 2024 the operations, assets and liabilities of the Foundation were transferred to the School. The following table shows the net assets transferred to the School on 17 July 2024 at fair value.

	£000
Cash	2,695
Other net liabilities	(262)
Total net assets	2,433

21. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31 July 2024	Unrestricted £000	Restricted £000	Funds Total £000
Income from Charitable Activities			
School Fees	27,260	0	27,260
Other educational income	1,478	0	1,478
Other ancillary trading income	377	0	377
Donations and Legacies			
Donation of net assets of the Foundation	183	2,250	2,433
Other donations and legacies	0	458	458
Investments			
Income from Investments	308	0	308
Other Income	226	0	226
Total Income	29,832	2,708	32,540
Expenditure on Raising Funds			
Financing costs under advance fee contracts	42	0	42
Bank interest	64	0	64
	106	0	106
Expenditure on Charitable activities			
Schools and grant making	28,265	416	28,681
Ancillary Trading	18	0	18
Exceptional pension credit	(1,754)	0	(1,754)
Total Expenditure	26,635	416	27,051
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	3,197	2,292	5,489
Net gains/(losses) on investments	2	0	2
NET INCOME/(EXPENDITURE)	3,199	2,292	5,491
Transfers between funds	0	0	0
NET MOVEMENT IN FUNDS FOR THE YEAR	3,199	2,292	5,491
Fund balances at 1 August 2023	39,389	47	39,436
FUND BALANCES at 31 July 2024	42,588	2,339	44,927

Royal Grammar School Guildford

England & Wales - Charity number 1177353

Accounts



Royal Grammar School Guildford

Annual Report & Financial Statements

For the Year Ended

31 July 2024

Charity Number 1177353
Company Number 10874615

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Governors

The Governors of the School, directors of the company and trustees of the charity during the year and since the year end are listed below.

Directors of the Company			**Appointed by**
F,N, E,P	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
E	Dr L S K Linton MA MB ChB MRCP		Staff
F	Mr NEJ Vineall KC MA		Board – co-opted
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F, N	Mr J D Fairley BA	Resigned 4 December 2023	Board – co-opted
F, N	Mrs H Styche-Patel BSc, MBA	Vice-Chairman of Governors Chairman of Nominations Committee	Board – co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
E	Mrs F E Carter BA PGCE		RGSG Prep Parents' Association (LPA)
P	Mrs N Nelson-Smith BA		Guildford Borough Council
F,P, N	Mrs M-L Logue MA	Chairman of RGSG Prep Committee	Board – co-opted
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
P	Mrs K Atkinson BDS		Board – co-opted
F, N	Mr T Lingard BSCI MINSTP	Vice-Chairman of Governors	Board – co-opted
E	Prof H Treharne BSc MSc PhD SFHEA FBCS		University of Surrey
E, N	Mr M Windsor BA MA	Chairman of Education Committee	Board – co-opted
F	Ms K Spasic ACMA CGMA		Board – co-opted
F, N	Mr S Meredith BA FCA ChA	Chair of Finance & General Purposes Committee	Board – co-opted
	Mr M More-Molyneux, Lord Lieutenant of Surrey		Board – co-opted
E	Mr C W Ngwena	Appointed 4 December 2023	Board – co-opted
F	Mr R Waterhouse	Appointed 4 December 2023	Board – co-opted
P	Canon S Butler BSc CNAA MA	Appointed 18 March 2024	Bishop of Guildford
P	Mrs PA Barrow BCom LLB	Appointed 1 October 2024	Royal Grammar School Parents' Association
F P E N	Members of the Finance and General Purposes Committee RGSG Prep Committee Members of the Education Committee (formerly the Academic Committee) Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary and Bursar	Mrs CM Perceval BSc	
	The Head (RGS Prep)	Mr T Freeman-Day BA PGCE	

Registered Office

High Street
Guildford
Surrey GU1 3BB

Principal Bankers

National Westminster Bank Plc

	Guildford Commercial Office PO Box 1, 2nd Floor G3 2 Cathedral Hill Guildford Surrey GU1 3ZR
Auditors & Tax Advisors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Principal Solicitors	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR

Royal Grammar School Guildford presents its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31 July 2024 and confirms that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2019.

DIRECTORS' REPORT

THE STATUS OF THE SCHOOL

Royal Grammar School Guildford ('The School', 'RGSG') is a company registered by guarantee incorporated in England and Wales, company number 10874615. It is also a registered charity, registered charity number 1177353.

The company Royal Grammar School Guildford is a subsidiary of 1509 Group, which is the sole shareholder of the School, company number 4104101 and charity number 1084866.

The School is a single entity operating on two school sites: the Royal Grammar School Guildford (RGSG) educates boys aged 11-18 while RGSG Prep's pupils are aged 3-11.

As a result of its special relationship with the Cathedral (being the Choir School for the Cathedral) and with the Bishop of Guildford nominating a Governor, Royal Grammar School Guildford is designated as 'a School with a Religious Character'.

GOVERNANCE AND MANAGEMENT

Governing Body

The School has one Governing Body overseeing both age groups. Details of the members of the Governing Body, together with the School's officers and principal advisors, are given on pages 1-2.

The Governing Body is self-appointing. New Governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The Governors are aware of The Charity Governance Code published in 2020 which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the School applies the principles of the code within its current Governance arrangements.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential Governors and their induction. New Governors are provided with the opportunity to view the School, relevant background material about the School and the role of a charity Trustee and an experienced Governor as a mentor during their first year of appointment. Opportunities are provided to attend School events that may give insight into the working of the School and appropriate training courses are offered to Governors. Particular attention is given to the identification of suitable courses for new Governors. During the year Governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee to oversee curricular and educational matters; the RGSG Prep Committee to oversee all matters pertaining to RGSG Prep; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr M Windsor
RGSG Prep Committee	Mrs M-L Logue
Finance and General Purposes Committee	Mr J Fairley – to December 2023 Mr S Meredith – from December 2023
Nominations Committee	Mrs H Styche-Patel

The Chief Strategy Officer oversees the general business operations of the School and in particular focuses on long-term building programmes, international developments and wider business opportunities, with the day to day running of the School delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams (SMTs)[1] and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit the best possible staff in all areas and from the widest pool of talent. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group is the holding company which retains control of Royal Grammar School Guildford and all other subsidiaries. 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), a charitable company (company number 4232306 and charity number 1089955) and a subsidiary of 1509 Group. The Foundation worked to promote, provide for and raise funds for the School. On 17 July 2024 the Foundation was merged with, and became a cost centre of, the School, the new cost centre being known as the Development and Alumni Relations Office ('DARO'; see note 20). Considering the financial and non-financial benefit provided by the Foundation, until the merger on 17 July 2024 the School provided operational resources for the Foundation free of charge.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

[1] The SMTs comprise the Heads, four Deputy Heads, the Senior Master, nine Assistant Heads, the CSO and the Bursar.

Engagement with Employees and Employee Interests

Taking care of our people

The Governors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The School reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount importance and mechanisms are in place to support staff and colleagues. This ranges from regular catch-up sessions with line managers, staff social events and school wide events, to support from the school counsellor, school nurse and head of human resources.

Communication

Regular updates, meetings and briefings are provided to staff on the day-to-day operations of the organisation as well as sharing high level changes within the organisation as these arise. Financial updates are provided to staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the School or the sector.

Staff observers are invited to attend the full board of Governors' meetings, so they are aware of the high level issues being discussed.

Strategy groups meet regularly to determine the future direction of a range of areas within the School and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits

Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development

There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained in mental health and also as coaches, and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and via our outreach programme and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety

There is a health and safety policy group which covers the whole organisation, with separate committees for each site. These committees are formed of a range of staff based at each site and focus on the immediate needs of that site. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A full time health and safety manager ensures that adequate time and resource is devoted to this area.

Diversity and Inclusion

The Governors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies and practices are non-discriminatory and that all appointments are made solely on the basis of merit. As a result of an independent review of our recruitment process, a full-time recruitment manager has been appointed and other recommendations implemented.

It is part of our ethos that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in

any form. We continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party meets regularly to seek to further improve the School's performance in this area on an ongoing basis.

All staff and Governors continue to receive diversity and inclusion training.

Stakeholder Relations

Royal Grammar School Guildford has a wide community of stakeholders including pupils, employees, parents of pupils, Governors, suppliers and our local community. As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The Governors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. The School is inspected by the Independent Schools Inspectorate and this covers compliance with a range of regulatory matters as well as the educational provision for pupils. The financial operations of the School are independently audited each year and other audits and regulatory inspections happen on a regular basis. There is a wide range of policies for staff which set out what is expected in respect of Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct.

The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Trustees (who are also directors of Royal Grammar School Guildford for the purposes of Company law) are responsible for preparing the Directors' report (incorporating the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE VALUES AND AIMS OF THE SCHOOL

The object of the School, as described in its charity commission scheme and the company's objects, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The current School priorities are:

- Collaboration;
- Diversity and Inclusion;
- Student Experience

In pursuit of these aims, RGSG holds and promotes the following values:

- Inclusivity: we remain loyal to our founding principles to educate bright local students, irrespective of background or financial circumstances, and we inherently believe in establishing a culture of diversity and acceptance, and in educating our students in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.
- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where qualities of decency, honesty, courtesy, humility and good humour are celebrated.
- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Courage: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all students, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Collaboration: we work closely with others for mutual enrichment, and encourage a spirit of generosity and service, a sense of perspective, and a firm belief that we can work in partnership with others, locally and internationally, to make a difference and have a positive impact on society.

The Governors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Governors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Governors' objectives for the School are established to deliver a wide-ranging, high quality education to students from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work. This is achieved through the Education Committee and the RGSG Prep Committee alongside a programme of Governor visits.

All pupils are now required to have a specified mobile personal computer to support quality remote and in-class teaching and learning. The School continues to evolve its strategy around use of devices, to seek continuous improvements and achieve the best educational outcomes and to mitigate against future disturbances.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

RGS senior school

With the relentless pace of change in the 21st century – Artificial Intelligence being just one such example – and the number of global issues and challenges which continue to face us all in the political, social, environmental and economic spheres, it is all the more important that schools are nurturing dynamic, innovative, and flexible problem solvers, team players and leaders. Transferable skills are key at a time where our students are going to be entering the world of work and applying for jobs which continue to evolve and develop. The fact that our students study a broad range of GCSEs and then enter the Sixth Form with a diverse and balanced range of skills mean they can face the future with absolute confidence. Results are key but our bespoke Learning Habits of organisation, engagement, imagination, perseverance, aspiration and reflection provide the foundations for success in the future. Our students continue to study in significant numbers the performing arts, the creative arts, classical and modern languages, humanities as well as the traditional STEM subjects. This blend of disciplines and skills has arguably never been more important.

At A Level, 39% of all grades were the gold standard A*; in total, 348 A* and A grades were secured by our hard-working cohort. 86 students achieved a clean sweep of grades at A or A*, 34 of those achieved 3 or more A* grades: these were richly deserved and just reward for all their efforts. At GCSE, the most common grade achieved by our students was the gold-standard grade 9; in total 594 grade 9s were achieved. In addition, 451 grade 8s were also secured: over two-thirds of all grades were at grade 9 or 8. 70 students achieved nine or more grade 8 and 9s; 9 students secured the remarkable profile of 12 or more grade 9s.

RGSG students continued to secure places on the most competitive courses at the leading universities in the country; 95% of all offers held to UK institutions were to Russell Group Universities or *Times Top 20* institutions. Of a talented cohort, 27 students received offers from Cambridge and Oxford Universities; in the last 10 years, RGSG boys have received just over 250 offers from Oxford and Cambridge Universities. Cambridge, Durham and Bath have been in the top five every year for the last seven years in terms of the number of RGSG boys accepting places; Bath and Cambridge were the most popular university destinations, closely followed by Durham and Warwick. RGSG students were accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering. Sciences as well as

business/management/finance/economics and also engineering remained the most popular choices.

A full and varied co-curricular programme provided the springboard for diverse achievement and experience, as well as the further nurturing of the Learning Habits and School Values which are at the heart of school life. The following provides a very brief and selective overview:

- Charitable initiatives and volunteering opportunities abounded as RGSG students of all ages and staff gave practical, hands-on help and support to a number of local, environmental and community initiatives.
- Over £130,000 has now been raised for our annual nominated School charities over the past five years, as the School continued to adhere to its values of service and collaboration to make a difference to others, with fundraising from small scale to grand scale – cake and doughnut sales, home clothes days and House charity events and food bank collections.
- The School continued to nurture and establish partnerships with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective. Our Masterclass programme, our Tudor project and our Strings Scheme were just some of the events which stretched and challenged local pupils.
- Academic, adventurous, cultural and sporting trips flourished, as the School continued to look for every opportunity to support learning inside and outside the classroom. These included a music tour to Spain with Guildford High School, languages trips to Normandy and Barcelona, Physics trip to Geneva, skiing trips to Les Deux Alpes and Switzerland, a Classics trip top Greece, a rugby tour to South Africa, an expedition to Cambodia with Tormead, to name but a few.
- A significant number of boys achieved national or international sporting recognition from the mainstream sports to more minor sports. The School continued to impress on a challenging circuit in the major sports – rugby, hockey, and cricket – as well as enjoying notable success in fencing, shooting, skiing and sailing, among others. In a year of sporting success, the following highlights stand out individually and collectively: Under 14 Tier 1 National Plate hockey winners; the 1st XV rugby victory over Epsom College; the 1st VII Senior South Coast rugby 7s Plate Winners; ISGA national golf tournament runners-up; the 1st XI Area Cup Finalists in football beating Hampton and Royal Russell Schools *en route*; the 1st XI cricket runners-up at the RGS Festival; 101 Under 12 students representing the School in rugby on Super Friday against Judd School; the increase in the number of games in hockey and cricket against local girls' schools; more athletics meets than ever before with over 200 students representing the School at local, regional and national levels; as well as national or international recognition for individuals in sports ranging from hockey to golf, from sailing to pole vault, from badminton to ski-racing, from shooting to biathlon and triathlon.
- From the Arts' perspective, concerts, plays and exhibitions of breath-taking quality were experienced by parents, residents and the wider community: both staged at school as well as at a number of local and national venues. These included *Oliver*, the student-written and directed *No Peace on St Jude*, and the A Level and GCSE devised performances. Musically, a full and varied programme included a succession of highlights: the Joint Schools' Chamber Choir, in conjunction with Guildford High School, ventured to Christ Church College, Oxford to sing Evensong in the Chapel; Holy Trinity Church staged both the stunning Concerto and Symphony orchestral concert delivering a repertoire of extraordinary diversity and sophistication as well as the Concerto Concert with *Southern Pro Musica*; Holy Trinity Church was also the venue for the popular monthly Market Day concerts; school concerts included the Ensembles Concert, the Junior and Senior Piano concerts, and the Charity Rock event; while *The Boileroom* was the setting for an amazing jazz night.
- As well as phenomenal success in national science Olympiads, in ORIS (Original Research in Science), in essay competitions, in Model United Nations Conferences, in debating, to name

but a few, a number of our students also hit the headlines. In the BAAO Astrophysics and Astronomy Olympiad, Freddie Weir was one of just five students nationally to be awarded Top Gold and went on to represent Team UK at the European Physics Olympiad in Georgia, winning an array of medals in the process with Team UK's best-ever set of results.

RGS Prep School

RGS Prep continues to prepare boys brilliantly for their futures whilst giving a broad and balanced curriculum where all can succeed.

RGS Prep ran a full programme of events including Carol Service, Harvest Service and Sports Days.

Alongside all the wonderful events, lessons, visits, trips and visitors, our Year 6 were extremely successful, with a number of scholarships and awards being given. Here are some of the many successes we have experienced this year:

- 28 scholarships were offered for their senior schools in the full range of Music, Drama, Sport and Academic.
- The scholarships were offered to over 21 different pupils.
- 144 awards were achieved in ABRSM exams, ranging from Pass to Distinction; from initial grade all the way up to Grade 7.
- 49 boys achieved a bronze, silver, or gold in the JMC.
- Sport remains a vital aspect of life at RGS Prep, and the revamped sports academies are now in full swing and working exceptionally well. The introduction of the three-tier system – Blue, Green, and Red academies – provides a balanced and competitive environment where boys can train and play. This system enables them to work with various coaches within each academy and compete for team positions, fostering healthy competition. By offering clear and defined tiers for training, the programme allows for tailored development opportunities while maintaining an exceptionally high standard of performance. We continue to employ two Sports Apprentices alongside our three-specialist sports staff, ensuring comprehensive support for all our pupils.
- Music, as always, plays a huge part in the life of RGS Prep. There has been a further increase in the number of instruments available for boys to learn – and this, in turn, has increased the number and quality of the ensembles available. Choristers did brilliantly well to perform with some quite restrictive conditions and have come out of it even stronger, with some fantastic performances held at the Cathedral including regular Evensongs, Sunday services and extra performances with both the RGS and external composers
- Drama: February brought with it the latest swashbuckling Drama Club adventure of 'Pirates of the Curry Bean', performed brilliantly by the Year 5 and Year 6 boys, who enthralled and captivated a highly amused audience. It was then the turn of the annual public speaking festival, 'Speak Out!' on World Book Day in March. Involving finalists from all Year Groups, a panel of three 'guest judges', (which this year included a member of the Guildford Shakespeare Company and the Yvonne Arnaud Theatre), were very impressed by the boys' presenting, reading and performing skills. The Trinity term Year 6 production of 'Shrek Junior the Musical' ended the year in style and featured many talented and superb individual performances, a true highlight on the dramatic calendar.
- As always, the boys very much look forward to the annual **residential trips**, enjoying the excitement and challenge of being away from home. Every summer term the boys in Years 3 – 6 come off curriculum for a week to take part in an Activities Week, which involves residential trips, day excursions and project work. Trips have gone across England and Wales, with Year 6 enjoying the ever-wonderful French trip. This year Prep boys' trips were as follows:

- Year 3- Cuffley Active Learning Centre, Potters Bar
- Year 4- Bushcraft, Gloucestershire
- Year 5- Cumulus Outdoor Centre, Swanage
- Year 6- Buddens Activity Centre, Wareham

- Pre-Prep boys enjoyed various on-site activities and some day trips. As well as this, our Head of MAG&T ran another brilliant "Inspire Day" to inspire boys to look at all the different and exciting possibilities that there are for driving passion and progress. The focus remains "faster collaborative thinking" and the Inspire programme keeps track of our offer across the board to check we serve boys wherever their gifts, talents, and passions lie, and sources innovative provision to fill gaps and make links across and beyond the curriculum.
- The boys continue to support a wide range of charities, both local and international including the David Shepherd Foundation and the Motor Neurone Disease Association along with the food bank drive for Harvest. We also annually support the MacMillan Coffee Morning which our boys love and which provides a wonderful community event. As well as this, we have supported local and international schools with sharing teaching expertise, resources, uniform, curriculum documents and training days.
- RGS Prep is supported by a wonderful and very active **Parents' Association (the LPA),** which organises many exciting events to raise money for the school. The Christmas Fair was a highlight, and it was wonderful seeing all the boys' buying presents for their loved ones. The LPA were fabulous in putting together the summer fair, quiz night, Easter bazaar and new parents' drinks – all to raise money and keep the community spirits up. We are very grateful for the work they put in, they very generously donated £10,000 towards our Wellbeing Garden.
- Our yearly **Prize Giving** events are highlights of our year when we can share and celebrate the numerous and varied achievements of all the boys at RGS Prep. It is a wonderful occasion shared with the school, parents, Governors, and VIPs. This year, we held the Junior Prize Givings and the Senior Prize Giving on the field. Parents attended to celebrate the boys, which was then followed by a delightful afternoon tea. It was a wonderful event, and parents were delighted to be given the opportunity to visit the school for one last time with their sons. This year we again held it in a stretch tent to avoid the possibility of getting sunburnt!
- **The site** has seen a lot of developments over the holidays. Rooms continue to be repainted with the new muted tones in order to help boys' attention. This is also reflected in our new notice board scheme. The Year 2 classrooms have had a much-needed overhaul.
- **Pupil numbers** have decreased slightly from last year's. September 2023, the school had 334 on role. September 2024, the school had 329 on role.

Public benefit

The main beneficiaries of the School's work are boys aged 3 to 18 attending its schools. Governors have given due consideration to the Charities Commission guidance on Public Benefit guidance under Charities Act 2011 when considering activities in this area.

Governors wish the School's education to be widely available and so bursary/financial support applications are welcomed from families who could not otherwise afford to send their son to the School. Financial support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees are also considered on top of this. In the year, 75 boys benefited from financial support funding of over £1.2 million, including 29 boys who received full fee remission for at least one term.

In addition to financial support for fees, the School gives opportunities to pupils of local schools to share the School's expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- Both the Senior and Prep School are core members of the West Surrey Partnership (WSP) – an independent and state school partnership involving secondary and primary schools in the wider Guildford area. The partnership exists to promote mutually beneficial educational opportunities with a particular focus on literacy, STEAM, sustainability and leadership. As part of the steering group, RGS take a lead role in the direction and sustainability of the partnership including oversight its aims, membership, focus of events, and financial stability. A part of the Operations Group RGS take a lead in the organisation of all the events. In the past year the WSP organised: a Y12 sustainability conference involving over c.80 students; a Y9 SATRO Engineering event for c.100 students; a Y6-7 CWIZZ Literacy quiz for c.100 students; Lacross taster sessions for Y5-6; Facilitated the entries to the Imperial Science & Innovation video competition which saw two Y6 teams invited to the national final presentations and one WSP team winning the KS2 national competition; Y5-6 Robotics club support and competition day; Y5-6 Science lessons for c.180 pupils; Y5-6 Brilliant Book Awards support for book clubs and awards ceremony.

- The School is an associate member of the local Learning Partners (LP) Multi Academy Trust (MAT). The Headmaster of RGS is an LP Trustee, an RGS Deputy Head is a Governor of Guildford County School, the RGS Bursar a Governor of Sandfield Primary School and an Assistant Head a Governor of Kings College.

- Three RGS staff are deployed to teach in LP schools: Throughout the year RGS staff provided Physics tuition for Y11 Kings College pupils; Introductory Latin classes for Y7&8 King College pupils; and French lessons for Y5&6 Sandfield Primary School pupils.

- As part of our partnership with LP, the School continued specifically to support a local Secondary School (Kings College). An Assistant Head continued to act as the Governor with specific responsibility for Safeguarding. The Physics department continued to support the Kings Triple Science pupils by delivery of Physics lessons and revision classes. The Maths department continued to organise the Y9 problem-solving Maths sessions for Kings pupils delivered by our Sixth Form pupils.

- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other educational providers and sharing of provision. The RGS continued to lead an innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). In 2023-24 we ran over 20 events from 6 different organisations with c.350 students attending over 10 different schools. (www.imag.education)

- Several RGS Staff act as Governors or Trustees at other schools or organisations:
  Senior:
  - Jon Cox – Learning Partners (LP) – Board Trustee
  - Jon Cox – Merchant Taylors' School – Governor (Indep.)
  - Bob Ukiah – Bourne Education Trust MAT Board – Trustee
  - Adrian Woodman – Guildford County School (LP) – Governor
  - Kate Perceval – Sandfield Primary School (LP) – Governor
  - Tom Shimell – Kings College (LP) – Governor

- Steve Yetman - England Schools' Ski Association – Board Member
- Paul Lyons – Raleigh School, West Horsley – Governor
- Gemma Bownes – Sydenham High School – Governor (Indep.)
- Sam Burns – Twickenham School, Whitton – Governor
- Richard Black – The Butts Primary School, Alton – Governor
- Bart Callaghan – Muntham House School – Governor (Indep.)
- Dale Chambers – St Peter's School – Governor
- Dale Chambers – Southern Pro Musica Orchestra – Educational Outreach Officer
- Martin Hanak-Hammerl – Busbridge Junior School – Parent Governor, Chair
- Sara-Jade Hussan – Heathlands School, Hounslow – Governor, Vice Chair
- Rike Jones – Southborough High School, Subiton – Governor
- Sam Orchard – Guildford Youth Symphony Orchestra – Trustee
- Tom Owens – Twickenham Prep School – Governor (Indep.)
- Thishani Wijesinghe - Sandfield Primary School (LP) – Governor

Prep:

- Adam Moore (Prep) - Hampton Wick School, Kingston, Governor
- Stuart Divers (Prep) - Federation of Pinewood Infant and Guillemont Junior school, Governor, Vice Chair

- There are also significant Outreach programmes for primary and secondary pupils. For example:

  - The **RGS Strings Scheme** teaches all year 4 pupils (c.120 pupils) in two Guildford primary schools (Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Twice a year concerns are held for parents which enable every pupil to perform. Additionally, provision is made for those wishing to continue their learning in Y5-6 via group lessons and instrument loan and a continuers orchestra at Boxgrove. This scheme is only possible due to working in partnership with the generous support of our principal donors: The Investec International Music Festival (IIMF), the Mila Charity and the Sheryl King Trust.

  - At the **RGS Primary Masterclasses** we hosted c.140 Y6 pupils from over 25 different Primary schools for lessons on four Saturday mornings in September and October. Students picked from a suite of six 'strands': Creative Arts (Drama, Music, Art, Writing); Design Technology; Humanities (History, Politics, Geography, RE); Mathematics; MFL (Arabic, Chinese, Russian, Japanese); and Science (Biology, Chemistry, Physics, Forensics). These sessions are to provide stretch and challenge to able pupils, to build confidence and to excite about transition to secondary school.

  - The **Primary Tudor Experience** provides a day of Tudor themed 'lessons' at RGS for Y6 classes including transport to and from RGS (paid for by RGS), an introduction to the history of the Tudor school including the Chained Library; a Tudor music and dance session, a Shakespeare Literacy session; a Tudor Games session, and a Tudor Art and Anamorphosis session. In 2023-24 we hosted c.550 pupils over 18 class visits from 8 different schools.

  - Our Sixth Form pupils are able to volunteer to support and to serve the local community via a Charity fundraising for local national and international charities (not reported on here); Volunteering for conservation work and visits to local care homes (not reported on here); DoE volunteering (not reported on here); and during activities sessions ('P8') and General Studies. In the latter two categories, our Sixth Form

groups: Continued to run the chess club at Sandfield Primary; delivered a Maths club and a chess club at Holy Trinity Primary School; delivered Y9 Maths problem solving for Kings College pupils; and visited Abbot's Hospital residents to record oral histories.

- At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Besisahar, Nepal. In October 2023 RGS-Tormead led a joint expedition taking c.20 pupils to undertake volunteering and cultural exchanges at Bhu Pu School. We also use Y7-9 discos to raise funds for this partnership. Separately, during June 2024, RGS-Tormead led a joint expedition to Cambodia with a part of this being a charitable project to support rural sustainability farming communities.

- This year we continued our links with the 'Big Leaf' charity to provide access to our all-weather football pitch and indoor courts for their weekly training sessions. Big Leaf work with 16-25 year-old displaced people from any country.

- Other miscellaneous outreach included:

  - **Heritage Open Day:** This is one of the only occasions when the Tudor Old Building including the Chained Library is open to members of the public.
  - **Music Market Day concerts:** Monthly Holy Trinity church free to members of the public.
  - **MFL:** We welcomed c.65 Y12&13 French, German and Spanish students from Reed's, St John's, St Cats, Tormead and Menuhin School for a co-educational MFL 'Speed-debating' event. Our linguists discussed provocative topics including media, music and marriage.
  - **Careers in Engineering Seminar:** 56 external pupils from 6 local schools: Collingwood College (11), Guildford County (12), Howard of Effingham (4), St Catherine's (13), St Peter's (10), Tormead (6)
  - **Careers Finance Seminar:** We had 74 external pupils from 6 local schools: St Peters, Fullbrook, Collingwood College, George Abbot, St Catherine's, Tormead. Most of them requested more than the 8 allocated spaces – St Peters sent 14, ditto George Abbot and St Catherines sent 20 – and lots of girls!
  - **Careers – St Peters:** A Music teacher spent a day giving mock interview to around 30 Year 11 pupils, in preparation for both potential interviews for a new school, and early career advice around interview and c.v. presentation.
  - **Classics:** Assistant Head taught at Kings London University PGCE course delivering an afternoon for trainee Classic teachers on different approaches to teaching Greek.
  - **English:** English Department welcomed Professor Farah Karim-Cooper to deliver a lecture on Shakespeare and race studies. Two hundred A-Level English Literature students and teachers from both independent and state schools across Surrey including George Abbot School, Guildford County School, Notre Dame School, Tormead School, St Catherine's School, and St Peter's Catholic School.

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company's employees
3. The need to foster the Company's business relationships with suppliers, beneficiaries and others
4. The impact of the Company's operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company.

Beneficiaries

The beneficiaries of the organisation are the pupils, and the Governors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings **The values and aims of the School** and **achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.
The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the Governors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors' Report.

Community and Environment

The School is at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of Governors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors' report, each committee has a specific focus but considers the overall impact of decisions on the wider organisation.

Culture and Values

The aims and values of the school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by Royal Grammar School Guildford is included in the table below.

		kWh	Mileage	KgCO2e	tCO2e
Gas	2023-24	1,618,425	n/a	296,010	296
	2022-23	1,825,619	n/a	328,611	329
	2021-22	1,854,861	n/a	333,875	334
Electricity	2023-24	1,063,023	n/a	220,099	220
	2022-23	1,040,431	n/a	215,446	215
	2021-22	984,477	n/a	190,378	190
Transport	2023-24	92,872	58,200	22,198	22
	2022-23	84,525	57,500	20,286	20
	2021-22	73,368	49,240	17,608	18
Total	2023-24	2,774,320	58,200	538,307	538
	2022-23	2,950,575	57,500	564,343	564
	2021-22	2,912,715	49,240	541,861	542

UK energy use covers all educational and ancillary activities across the School.
Associated Greenhouse gases have been calculated using 2024 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For Royal Grammar School Guildford we have used the average number of pupils over the year as the relevant operational driver. **In 2023/24, 1,304 pupils accounted for emissions of on average 413 kg CO2 each (2022/23: 1,316 pupils accounted for emissions of on average 429 kg CO2 each)**.

Continuing our rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- We continued our roll out of energy efficient LED fittings across all sites
- Ongoing replacement of single glazed windows with double glazed units. Only a small portion of the main building now remains to be done
- Continued replacement of internal and external doors to reduce heat loss
- Boilers replaced with more energy efficient models

- Washroom areas which have been refurbished have had mixer taps with improved flow regulation and effective thermostatic mixing valves installed
- During refurbishment works, use of skips is minimised in favour of appropriate recycling and use of registered waste carriers
- We have solar panels on our North Building

Additionally

- We have an active sustainability/environmental committee within the school which has come up with many initiatives to prompt energy saving and awareness
- Of our fleet of 15 buses and vans only 3 do not comply with the ULEZ requirements. We have electric car charging points across site
- We have monitored air quality on our sites both internally and with third party involvement
- When planning for future building enhancements and developments, sustainability considerations have been a high priority
- Food waste is collected separately, and the volume closely monitored by our catering contractors
- General and recycling waste is carefully monitored with placement and style of receptacles regularly reviewed
- We actively seek to work with energy suppliers that use renewable energy and act on being carbon neutral
- When refitting our Undercroft area following flood damage, sustainable materials and reduced environmental impact was considered throughout.

FINANCIAL REVIEW

Results for the year

During the year to 31 July 2024 the School generated net income of £5.5m, £5.2m above the prior year (2022/23: £0.3m). This comprised (i) an underlying surplus of £1.3m (ii) a non-recurring donation of £2.4m net assets from the merger of the Foundation with the School and (iii) an exceptional pension credit of £1.8m from the release of the Surrey County Council net pension liability.

The School's income of £32.5m was £5.3m (20%) higher (2022/23: £27.2m), reflecting (i) higher fee income (+£2.5m) from higher average fees per pupil (+10%) partly offset by slightly lower pupil numbers (2023/24: 1,304; 2022/23: 1,316), (ii) the non-recurring donation of net assets from the merger of the Foundation with the School, and (iii) higher other income (+£0.4m), including more income from investments and donations.

The value of fee remissions awarded varies from year to year, depending on prevailing circumstances and the needs of each cohort. While non means-tested remissions are being managed downwards, over time the value of means-tested remissions awarded is growing, in line with the School's ambition for its education to be as widely accessible as possible.

Total income also included investment income of £308k (2022/23: £83k) and donations of £458k (2022/23: £346k). Investment income was earned from Treasury deposits placed to maximise the School's income from available cash.

Expenditure was £0.2m higher (2023/24: £27.05m; 2022/23: £26.8m), attributable to staff costs (+£1.6m) and other costs (+£0.4m) largely offset by the £1.8m exceptional pension credit.

The School generated cash sufficient to cover £4.3m capital expenditure on its facilities (see note 6).

With effect from 31 August 2021, the School elected to withdraw from the Surrey County Council Superannuation Fund and finalise its pension liability, in respect of this scheme, as at that date. The final valuation invoice of £1.8m received from the Fund in 2021/22 was provided in the School's accounts until it was released in 2023/24 (see note 16).

With VAT on school fees being implemented from January 2025 and pressure on family finances, the political and economic background remains challenging. Despite this, demand for places at the School remains strong, and the School believes pupil numbers will remain stable for the foreseeable future. The Governors have considered the impact of these factors on the School's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability

Reserves are held for two main purposes: (i) to finance future major capital development of the School's premises and (ii) to be available to cover unexpected contingencies such as a significant loss of income or the short term impact of potential adverse changes affecting the independent school sector, for example adverse changes in future taxation.

It is not considered appropriate for the School to hold, or to aim to hold, no reserves, as this would leave the School unable to fund future major capital development or unexpected contingencies.

Most of the reserves held are intended to be spent on major capital development in the medium to long term, and some are held in order to be available to cover potential contingencies in the nearer term.

At 31 July 2024 the School's reserves were £3.6 million, which broadly corresponds to net current assets excluding cash received from fees in advance. Reserves are equivalent to approximately 1.5 months of the School's operating expenditure. This is not considered excessive.

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. Demand for places at the School remains strong. Nonetheless, these scenarios consider reduced pupil numbers, delayed fee payment and potential bad debts, cost inflation and increased interest rates. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are sufficient to meet the charity's obligations as they fall due.

Having regard to the above, the Governors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The School's Investment Policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs, which may include UK gilts), which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF

- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the School.
- To have due regard when investing funds to the fact that some funds held by the School are due to be returned to parents when their son leaves the School, or are payment in advance for provision of education in the future.

The School increased bank interest income by placing Treasury deposits at higher interest rates than applied to the bank accounts.

The School sold its remaining investment held with CCLA Investment Managers in order to simplify administration (see note 7).

Fundraising

Until July 2024 fundraising for School funding priorities was carried out by the The Royal Grammar School, Guildford Foundation ("the Foundation"), which raised funds for bursaries. In July 2024 the Foundation merged with, and became a cost centre of, the School, now called the Development and Alumni Relations Office ("DARO") (see note 20).

DARO's fundraising activities are carried out by an in-house staff team. DARO adheres to the Code of Fundraising Practice. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances.

No complaints relating to fundraising were received in 2023/24.

FUTURE PLANS

The School's development plan is agreed by Governors and is subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community;
- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level;
- To continue to enhance our student experience and further develop support for students' and staff welfare;
- To foster outstanding teaching and personal development such that everything we do makes us better at everything we do;
- To continue to work towards widening access to the school for able students with limited means;
- To proactively seek to create a staff and student body which is diverse and inclusive, reflecting the community we teach;
- To adapt to the impact of tax changes.

These plans underpin individual detailed development plans for each area, which will enhance the School's ability to provide an exceptional education and student experience.

RISK MANAGEMENT

The Governors have examined the principal areas of the School's operations and considered the major risks faced in each of these areas. The risk assessment is updated at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGSG Education committee and the RGSG Prep committee as appropriate before passing to the F&GP committee and the Board for discussion.

The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the School's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGSG or RGSG Prep could detrimentally affect the School's admissions and performance. The development of members of the senior team and ongoing support of the governors will help reduce the impact of a change of Head.
- Uncertainties within the economy could further affect parents' finances and could lead to increased debts to the School and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- The introduction of legislation such as VAT on fees and loss of business rates relief causing financial pressure on independent schools. Policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.
- Incidence of a pandemic or other events adversely impacting on the School's ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Impact lower as excellent remote teaching and learning capability has been rolled out and enhanced by the School during the periods of lockdown, significantly mitigating the risk of the School being unable to deliver quality education.

The School has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the School's day to day operations. The School regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:

Sarah Creedy

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19 December 2024

Mrs S K Creedy

Independent auditor's report to the members of the Royal Grammar School Guildford

Opinion

We have audited the financial statements of the Royal Grammar School Guildford for the year ended 31 July 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report (which includes the strategic report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report included within the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (which incorporates the strategic report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

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

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

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to regulations related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

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

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

Use of our report

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

Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

28/12/2024

10 Queen Street Place
London
EC4R 1AG

Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2024

	Note	Unrestricted Funds	Restricted Funds	2023-2024 Total	2022-2023 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2	27,260	0	27,260	24,861
Other educational income	3 (a)	1,478	0	1,478	1,173
Other ancillary trading income	3 (b)	377	0	377	275
Donations and Legacies					
Donation of net assets of the Foundation		183	2,250	2,433	0
Other donations and legacies		0	458	458	346
Investments					
Income from Investments		308	0	308	83
Other income	3 (c)	226	0	226	445
Total income		29,832	2,708	32,540	27,183
Expenditure on:					
Raising Funds					
Finance costs	4 (a)	106	0	106	54
Charitable activities					
Schools and grant making	4 (b)	28,265	416	28,681	26,774
Ancillary trading	4 (b)	18	0	18	6
Exceptional pension credit	16 (v)	(1,754)	0	(1,754)	0
Total Expenditure		26,635	416	27,051	26,834
NET INCOME BEFORE INVESTMENT GAINS		3,197	2,292	5,489	349
Net gain/(loss) on investments		2	0	2	(1)
NET INCOME		3,199	2,292	5,491	348
Transfers between funds	13 (d)	0	0	0	0
NET MOVEMENT IN FUNDS		3,199	2,292	5,491	348
Fund balances brought forward at 1 August 2023		39,389	47	39,436	39,088
FUND BALANCES carried forward at 31 July 2024		42,588	2,339	44,927	39,436

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

Company number 10874615

	Note	£000	2024 £000	£000	2023 £000
FIXED ASSETS					
Tangible fixed assets	6		39,864		37,372
Investment assets	7		0		46
			39,864		37,418
CURRENT ASSETS					
Stocks	8	56		57	
Debtors	9	1,203		861	
Cash		18,363		8,652	
		19,622		9,570	
CURRENT LIABILITIES					
Creditors payable within one year	10	(9,616)		(5,302)	
Pension Scheme Liabilities	16 (iv)	0		(1,754)	
NET CURRENT ASSETS			10,006		2,514
TOTAL ASSETS LESS CURRENT LIABILITIES			49,870		39,932
LONG TERM LIABILITIES					
Creditors payable after one year	11		(4,943)		(496)
TOTAL NET ASSETS			44,927		39,436
Represented by:	13				
RESTRICTED FUNDS			2,339		47
UNRESTRICTED FUNDS					
Designated Funds		38,983		36,278	
General Funds		3,605		3,111	
UNRESTRICTED FUNDS			42,588		39,389
TOTAL FUNDS			44,927		39,436

Approved by the Board of the Royal Grammar School Guildford, on 19 December 2024 and signed on behalf of the Company by:

Sarah Creedy - Director

Tom Lingard - Director

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

	Note		2024		2023
NET CASH INFLOW FROM OPERATIONS		**£000**	**£000**	**£000**	**£000**
Net cash provided by operating activities	note (i)		7,028		(490)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for tangible fixed assets	6	(4,288)		(1,083)	
Proceeds on sale of tangible fixed assets		14		5	
Proceeds on sale of investments	7	46		107	
Investment income and bank interest received		308		83	
Net cash (used in) investing activities			(3,920)		(888)
Cash flows from financing activities:					
Fees in advance (FIA)		6,486		199	
Overdraft repayment		(216)		(216)	
Finance lease		295		0	
Increase in parents' deposits		99		46	
Finance lease interest		(55)		(19)	
Loan interest charge		0		(23)	
Other finance costs		(6)		(9)	
Net cash used by financing activities			6,603		(22)
Change in cash and cash equivalents in the reporting period	note (ii)		9,711		(1,400)
Cash and cash equivalents at 1st August 2023			8,652		10,052
Cash and cash equivalents at 31st July 2024			**18,363**		**8,652**

(i) Reconciliation of net income to net cash inflow from operating activities

	2024	2023
	£000	**£000**
Net income before investment gains	5,489	349
Non-cash exceptional pension credit	(1,754)	0
Elimination of non-operating cash flows:		
- Investment income	(308)	(83)
- Finance costs	64	22
(Profit) on sale of fixed assets	(2)	(5)
Depreciation	1,784	1,804
Decrease in stocks	1	9
(Increase)/Decrease in debtors	(342)	272
Increase/(Decrease) in creditors (excluding FIA, deposit, leases)	2,096	(2,858)
Net cash inflow/(outflow) from operating activities	7,028	(490)

(ii) Analysis of changes in Cash and Cash equivalents

Analysis of balances at 31 July	Change in Year	2024	2023
	£000	**£000**	**£000**
Cash	1	5	4
Cash Equivalents (Deposit < 3 months)	9,710	18,358	8,648
Changes in Cash and Cash equivalents from the School's operations			
	9,711	**18,363**	**8,652**

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

The School holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at the School remains strong, with continuing high numbers enrolled in 2024/25. Collection of fee income continues to be robust. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the School are adequate to meet its obligations as they fall due. Accordingly, the governors believe the School's financial resources are sufficient to ensure there is no material uncertainty about the School's ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the governors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the governors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by the School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the group are credited to school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Until 2022/23 investments were shown at fair value at the year end. Realised and unrealised gains and losses on investments were accounted for through unrestricted or restricted funds as appropriate

and were accounted for in the SOFA. During 2023/24 the School sold its remaining investments, so none remained at 31 July 2024.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £5,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	-	2% per annum on a straight line basis
Furniture & Fittings	-	15% per annum on a straight line basis
Computer Equipment	-	33% per annum on a straight line basis
Photocopiers	-	20% per annum on a straight line basis
Motor Vehicles	-	20% per annum on a straight line basis
Playing Field Equipment	-	12.5% per annum on a straight line basis
Leasehold Property	-	over the length of lease
Leasehold Improvements	-	over the length of lease
Major Refurbishment	-	4% per annum on a straight line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received

and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

In the past the School also contributed to the Surrey County Council ("SCC") Superannuation Fund, a defined benefit scheme for support staff. With effect from 31 August 2021, as a consequence of dwindling employee membership, the School withdrew from this scheme. In 2023/24, SCC and the School signed an agreement whereby SCC released the School from its closing liability in respect of the SCC Superannuation Fund. Accordingly, an amount equivalent to the 2022/23 closing liability was credited to the SOFA in 2023/24, and there was no liability at 31 July 2024.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Schemes.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils after 31 July 2024. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. Under FRS 102 all deposits are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity the School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

The Royal Grammar School, Guildford Foundation ('the Foundation')

On 17 July 2024 the operations, asset and liabilities of the Foundation were transferred to School at the best estimate of their fair value at the date of transfer.

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2024 £000	2023 £000
The school's fee income receivable comprised:		
Gross fees	28,679	26,194
Less: Total bursaries, scholarships and discounts	(1,810)	(1,679)
	26,869	24,515
Add back: Bursaries paid for by Restricted Funds	391	346
	27,260	24,861

Bursaries were awarded from Restricted/Unrestricted Funds to 75 individuals (2023: 71).

3. CHARITABLE INCOME - OTHER

(a) Other educational income	2024 £000	2023 £000
Registration fees	61	61
Sundry parental receipts	1,417	1,112
	1,478	1,173

(b) Other ancillary trading income	2024 £000	2023 £000
Income from recharges to International Activities	377	275

(c) Other income	2024 £000	2023 £000
Gains on sale of tangible fixed assets	2	6
Other	224	439
	226	445

4. ANALYSIS OF EXPENDITURE

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2024 Total £000	2023 Total £000
Loan interest charge	0	0	0	0	23
Finance lease interest	0	55	0	55	19
Discount payable on Advanced Fees	0	42	0	42	3
Other finance costs	0	9	0	9	9
Total finance costs	0	106	0	106	54
(b) Charitable activities					
Schools and grant making					
Teaching	14,867	2,326	231	17,424	16,072
Welfare	90	1,526	0	1,616	1,481
Premises	592	3,018	1,137	4,747	4,757
Support costs of schooling	2,642	1,420	416	4,478	4,118
Grants, awards and prizes	0	416	0	416	346
School's operating costs	18,191	8,706	1,784	28,681	26,774
Ancillary trading costs	0	18	0	18	6
Total Charitable Expenditure	18,191	8,724	1,784	28,699	26,780
Exceptional pension credit	0	(1,754)	0	(1,754)	0
Total Expenditure	**18,191**	**7,076**	**1,784**	**27,051**	**26,834**

Prior year Analysis of Expenditure

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2023 Total £000	2022 Total £000
Finance costs	0	54	0	54	63
(b) Charitable activities					
Schools and grant making					
Teaching	13,566	2,327	179	16,072	14,845
Welfare	83	1,398	0	1,481	1,260
Premises	537	3,122	1,098	4,757	3,979
Support costs of schooling	2,430	1,161	527	4,118	3,662
Donations to other charities	0	346	0	346	340
School's operating costs	16,616	8,354	1,804	26,774	24,086
Ancillary trading costs	0	6	0	6	0
Total Charitable Expenditure	16,616	8,360	1,804	26,780	24,086
Total Expenditure	**16,616**	**8,414**	**1,804**	**26,834**	**24,149**

(c) Governance costs included in support costs		
Auditors' remuneration *		
Current year charge	34	34
Other services	0	0
Trustees' costs **	2	2
Governance costs	36	36

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to the cost of Governor meetings £1,785 and expenses £273. There are 21 Governors who are directors of RGS and RGS Prep. There was no Trustee remuneration during the year.

5. EMPLOYEES

	Teaching	Other	2024	2023
	£000	£000	£000	£000
Wages and salaries	10,729	2,705	13,434	12,399
Social security costs	1,262	321	1,583	1,412
Pension contributions	2,391	245	2,636	2,330
Other staff costs	447	91	538	475
	14,829	3,362	18,191	16,616

Average number of employees during the year	2024		2023	
	Full time	Part time	Full time	Part time
Teaching	135	40	134	41
Non Teaching	68	49	69	45
	203	89	203	86

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:	2024	2023
£60,001 - £70,000	40	38
£70,001 - £80,000	27	12
£80,001 - £90,000	11	2
£90,001 - £100,000	0	2
£100,001 - £110,000	3	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	0
£160,001 - £170,000	0	1
£180,001 - £190,000	1	0
£270,001 - £280,000	0	1
£280,001 - £290,000	1	0
	85	58

A number of staff are not members of any pension scheme and the employer pension contribution is paid to them as part of their overall renumeration and is included in the pay bands above.

Pension contributions of £1,398k (2023 - £869k) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £1,146k (2023 - £783k) were made into a defined benefit pension scheme.

The aggregate employee benefits of key management personnel (the Senior Management Teams of both schools) including employers' pension contributions and National Insurance total £2,434k (2023 - £2,233k).

During the year there was one redundancy or termination payment totalling £60k (2023: £13k for two terminations).

No remuneration was paid to Governors during 2024. Expenses paid to Governors totalled £0.3k (2023: £0.5k) and related to personalised badges.

6. Tangible fixed assets

Cost and depreciation

	Computer Equipment	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Property	Total
Cost	£000	£000	£000	£000	£000
At beginning of year	1,744	50,192	2,129	4,251	58,316
Additions	509	3,416	0	363	4,288
Disposals	0	0	0	(63)	(63)
At end of year	2,253	53,608	2,129	4,551	62,541
Depreciation					
At beginning of year	1,326	15,097	1,201	3,320	20,944
Charge for the year	231	1,091	46	416	1,784
Eliminated on Disposal	0	0	0	(51)	(51)
At end of year	1,557	16,188	1,247	3,685	22,677
Net Book Value					
At end of year	696	37,420	882	866	39,864
At beginning of year	418	35,095	928	931	37,372

7. Investment assets

	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	46	0	46
Realised gain on disposal	2	0	2
Disposals	(48)	0	(48)
At end of year - (market value)	0	0	0

8. Stocks

	2024 £000	2023 £000
Catering/cleaning stocks	22	20
School items for resale	34	37
Total stock	56	57

9. Debtors

	2024 £000	2023 £000
Fee debtors	152	227
Less Provision for bad debts	(74)	(71)
Amounts due from other Group companies	217	358
Other debtors and prepayments	908	347
Total debtors	1,203	861

10. Creditors: due within one year

	2024 £000	2023 £000
Bank overdraft	1,003	1,219
Obligations under Finance Leases	257	117
Trade and other creditors	2,867	868
Other taxes and social security	404	407
Amount due to Foundation	0	111
Accruals	298	245
Acceptance deposits	2,078	1,979
Fees received in advance	301	142
Advanced fees (see note 12)	2,408	214
Total creditors	9,616	5,302

The bank overdraft of £1m (2023: £1.22m) is secured by charges on the freehold and buildings of the school. The overdraft is repayable on demand and is therefore included in Creditors: due within one year.

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2024 have been included within current liabilities. The prior year acceptance deposits balance has been similarly represented.

11. Creditors: due after more than one year

	2024 £000	2023 £000
Obligations under Finance Leases	407	252
Advanced fees (see note 12)	4,536	244
	4,943	496

The obligations under finance leases relate to pupils' Microsoft Surface laptops.

The finance leases are payable:	2024 £000	2023 £000
Within 1 to 5 years	407	252
Within one year (see note 10)	257	117
	664	369

12. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2024 £000	2023 £000
After 5 years	117	30
Within 2 to 5 years	2,314	101
Within 1 to 2 years	2,105	113
After more than one year (see note 11)	4,536	244
Within one year (see note 10)	2,408	214
	6,944	458

The balance represents the accrued liability under the contracts. The movements during the year were:

	2024 £000	2023 £000
Balance at beginning of year	458	259
New contracts	6,912	345
Amounts accrued to contracts	42	3
	7,412	607
Amounts utilised:		
In payment of fees	(468)	(149)
Balance at end of year	6,944	458

13. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:

Restricted Funds within the School comprise:

- The bursary fund transferred from the Foundation to the School as part of the merger on 17 July 2024, and
- A small number of ad hoc minor funds.
- The restricted bursary fund provides an amount of funding each year which is expended on current year bursaries.

Major Unrestricted Funds:

Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less the overdraft. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the year.

(a) The consolidated net assets at 31 July 2024 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/(Liabilities) £000	Long Term Liabilities £000	Total £000
Ad hoc minor funds		0	0	89	0	89
Donation of net assets of Foundation		0	0	2,250	0	2,250
Total Restricted Funds		0	0	2,339	0	2,339
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	39,864	0	(1,003)	0	38,861
Prize		0	0	60	0	60
Ad hoc minor funds		0	0	62	0	62
Total Designated Funds		39,864	0	(881)	0	38,983
School General/Capital Development fund		0	0	8,548	(4,943)	3,605
Total Unrestricted Funds		39,864	0	7,667	(4,943)	42,588
Total Funds		39,864	0	10,006	(4,943)	44,927

1. The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and overdraft outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2023 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2024 £000
Bursary fund	1	0	0	391	(391)	1
Ad hoc funds	46	0	0	67	(25)	88
Foundation net assets	0	0	0	2,250	0	2,250
Total Restricted funds	47	0	0	2,708	(416)	2,339

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2023 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2024 £000
Designated funds						
Tangible Net Fixed Asset Fund	36,153	0	0	2,708	0	38,861
Prize	60	0	0	0	0	60
Ad hoc minor funds	65	0	0	(3)	0	62
Total Designated funds	36,278	0	0	2,705	(0)	38,983
General						
School General/ Capital Development fund	4,865	308	2	(1,753)	183	3,605
Pension Fund Liability	(1,754)	0	0	1,754	0	0
Total Unrestricted Funds	39,389	308	2	2,706	183	42,588

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
Transfer of general reserves to Designated Tangible Net Asset fund	(2,708)	2,708	0

Comparative Allocation of charity net assets

(a) The consolidated net assets at 31 July 2023 are held for the various funds and advanced fees as follows:

		Buildings and Equipment	Investments	Net current Assets/Liabilities	Long Term Liabilities	Total
Restricted		£000	£000	£000	£000	£000
Bursary fund		0	0	1	0	1
Ad hoc funds		0	0	46	0	46
Total Restricted Funds		0	0	47	0	47
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	37,372	0	(1,219)	0	36,153
Prize		0	46	14	0	60
Ad hoc minor funds		0	0	65	0	65
Total Designated Funds		37,372	46	(1,140)	0	36,278
School General/Capital Development		0	0	5,361	(496)	4,865
Pension Fund Liability		0	0	(1,754)	0	(1,754)
Total Unrestricted Funds		37,372	46	2,467	(496)	39,389
Total Funds		37,372	46	2,514	(496)	39,436

1. The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and overdraft outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2022 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2023 £000
Gieve fund	106	3	0	(109)	0	0
Bursary fund	1	0	0	346	(346)	1
Ad hoc funds	63	0	0	0	(17)	46
Total Restricted funds	170	3	0	237	(363)	47

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2022 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2023 £000
Designated funds						
Tangible Net Fixed Asset Fund	33,528	0	0	2,625	0	36,153
Prize	57	0	(1)	4	0	60
Ad hoc minor funds	65	0	0	0	0	65
Total Designated funds	33,650	0	(1)	2,629	0	36,278
General funds						
School General/Capital Development Fund	7,022	80	0	(2,237)	0	4,865
Pension Fund Liability	(1,754)	0	0	0	0	(1,754)
Total Unrestricted Funds	38,918	80	(1)	392	0	39,389

14. Operating Leases

As at 31 July 2024, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	**2024**	**2023**
	£000	**£000**
Under 1 year	145	145
More than 1 year and less than 5 years	302	446
	447	591

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2024 were £144,972 (2023 - £141,449).

15. Capital Commitments

At 31 July 2024, the amount of capital works authorised and contracted but not provided for in these accounts is £404k (2023 - £378k).

16. Pension Obligations

a. Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,120,055 (2022/23 - £1,998,480) and at the year-end £0 (2022/23 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Since April 2024 the cost to the School of the total TPS employer contribution has been capped with staff contributing the difference between the cap and the new rate of 28.68%. Teachers are be able to opt out of the TPS and join a defined contribution pension plan with a total employer cost, including benefits, at the same level as the cap.

b. Surrey County Council Superannuation Scheme

Until 31st August 2021, the School participated in a defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme ("SCC"), which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008.

The School withdrew from the SCC Superannuation Scheme during 2021/22, with a cessation date of 31st August 2021. This crystallised the School's portion of the pension scheme deficit, and the value of the cessation deficit as at 31st August 2021 was £1,754,000. This liability appeared in creditors at 31st July 2023.

The net pension liability on the Balance Sheet at 31st July 2023 of £1,754,000 was the liability at the point of cessation on 31st August 2021 calculated as an update to the most recent full revaluation of the scheme at 31st March 2019. A reconciliation from the full revaluation at 31st March 2019 to the cessation valuation in these accounts is provided in Note (iv) below.

In 2023/24, SCC and the School signed an agreement whereby SCC released the School from the net pension liability. Accordingly, £1,754,000 was credited to the Statement of Financial Activities and there was no liability at 31st July 2024.

		Cessation Valuation 31/8/2021 £000	Valuation 31/3/2019 £000
i)	**Funding Position at 31 August 2021 (cessation date):**		
	Liabilities		
	Active	0	2,066
	Deferred	2,078	517
	Pensioner	6,272	2,589
		8,350	5,172
	Assets	6,596	5,916
	Surplus/(Deficit)	(1,754)	744

ii)	**Actuarial Assumptions - Financial Assumption:**		
		£000	**£000**
	Discount rate/anticipated investment returns		
	Pre-retirement	1.0%	4.2%
	Post- retirement	1.0%	4.2%
	Salary increases	3.3%	3.2%
	Benefit increases	2.4%	2.3%

iii)	**Actuarial Assumptions - Longevity Assumption:**		
	Life expectancy from age 65 years	**£000**	**£000**
	Current pensioners		
	Male	22.3	22.1
	Female	24.4	24.3
	Future pensioners		
	Male	23.4	22.9
	Female	26.1	25.7

iv)	**Changes in the fair value of the scheme assets are as follows:**		
		£000	**£000**
	Surplus/(deficit) at 31 March 2019		744
	Interest on surplus/(deficit)	78	
	Investment outperformance	318	
	Contributions greater than cost of accrual	394	
	Change in market conditions	(63)	
	Move to cessation funding assumptions	(3,077)	
	Membership experience	(148)	
			(2,498)
	Deficit at 31 July 2023		(1,754)
	Credit for release of liability		1,754
	Surplus/(Deficit) at 31 July 2024		0

v)	**The amounts included in the Statement of Financial Activities are as follows:**	**2024**	**2023**
		£000	**£000**
	Total Amount credited to the Statement of Financial Activities	1,754	0

17. Analysis of Net Funds/(Debt)

	As at 31 July 2023 £000	Other Movements	Cash Flow £000	As at 31 July 2024 £000
Net cash balances	8,652	0	9,711	18,363
Creditors: due within one year				
Finance leases	(117)	(140)	0	(257)
Bank overdraft	(1,219)	0	216	(1,003)
Advance Fee agreements	(214)	0	(2,194)	(2,408)
Creditors: due after more than one year				
Finance leases	(252)	(155)	0	(407)
Advance Fee agreements	(244)	0	(4,292)	(4,536)
	6,606	(295)	3,441	9,752

18. Related party transactions

1509 Group, registered charity number 1084866, company number 4104101, is the parent company of the School, and all other companies in the group. The School is the sole voting member of the Foundation (The Royal Grammar School, Guildford Foundation), registered charity number 1089955, company number 4232306. On 17 July 2024 the Foundation merged with, and became a cost centre of, the School.

The RGS Guildford International Limited, company number 09633181, RGS Guildford International (Dubai) Limited, company number 11422203, RGS Guildford International (China) Limited, company number 12104738, RGS Guildford Enterprises Limited, company number 12248925 and RGS Guildford International (Oman) Limited, company number 13833679 are all subsidiaries of the 1509 Group.

During the year the Royal Grammar School Guildford charged the RGS Guildford International Ltd £121,483 (2023 - £81,930) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £44,934 (2023 - £0.00).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Dubai) Ltd £67,493 (2023 - £49,016) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £25,890 (2023 - £43).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (China) Ltd £67,493 (2023 - £49,016) relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £25,960 (2023 - £0.00).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Oman) Ltd £67,493 (2023 - £49,015) relating to time spent on International work. At the end of the year RGS Guildford International (Oman) Ltd owed the School £25,739 (2023 - £0.00).

During the year the Royal Grammar School Guildford charged the RGS Guildford Enterprices Ltd £53,176 (2023 - £46,450) relating to time spent on International work. At the end of the year RGS Guildford Enterprises Ltd owed the School £61,548 (2023 - £3,248).

The Foundation transferred £366,337 of donations to the School in the period to 17 July 2024 (2023: £345,881). The Foundation's costs of £322,000 (2023: £271,500), for both fundraising and alumni work were covered by the School during the period. At the date of the merger the Foundation owed the School £294,915 (2023: £353,737). The School made a transfer to the Foundation of £55,000 during the period (2023: £111,000) for the Foundation's Enduring Bursary Fund.

During the year there were no donations from the Governors to the School.

19. Control

The 1509 Group, registered charity number 1084866, company number 4104101, is the holding company of the School, and the ultimate parent company of the group. The group accounts are available from 1509 Group registered office, at The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

20. Merger of the Foundation with the School

On 17 July 2024 the operations, assets and liabilities of the Foundation were transferred to the School. The following table shows the net assets transferred to the School on 17 July 2024 at fair value.

	£000
Cash	2,695
Other net liabilities	(262)
Total net assets	2,433

21. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31 July 2023	Unrestricted General £000	Designated £000	Restricted £000	Funds Total £000
Income from Charitable Activities				
School Fees	24,861	0	0	24,861
Other educational income	1,173	0	0	1,173
Other ancillary trading income	275	0	0	275
Donations and Legacies				
Donations and legacies	0	0	346	346
Investments				
Income from Investments	80	0	3	83
Other Income	445	0	0	445
Total Income	26,834	0	349	27,183
Expenditure on Raising Funds				
Financing costs under advance fee contracts	3	0	0	3
Bank interest	51	0	0	51
	54	0	0	54
Expenditure on Charitable activities				
Schools and grant making	26,411	0	363	26,774
Ancillary Trading	6	0	0	6
Total Expenditure	26,471	0	363	26,834
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	363	0	(14)	349
Net gains/(losses) on investments	(1)	0	0	(1)
NET INCOME/(EXPENDITURE)	362	0	(14)	348
Transfers between funds	(2,521)	2,630	(109)	0
NET MOVEMENT IN FUNDS FOR THE YEAR	(2,159)	2,630	(123)	348
Fund balances at 1 August 2022	5,270	33,648	170	39,088
FUND BALANCES at 31 July 2023	3,111	36,278	47	39,436

Royal Grammar School Guildford

England & Wales - Charity number 1177353

Accounts



Royal Grammar School Guildford

Annual Report & Financial Statements

For the Year Ended

31st July 2023

Charity Number 1177353
Company Number 10874615

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Governors

The Governors of the School, directors of the company and trustees of the charity during the year are listed below.

Directors of the Company			**Appointed by**
F,N, E,P	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
F, N,P	Mr P G Peel FCA	Chairman of the Finance and General Purposes Committee and Vice Chairman of Governors Deceased November 2022	Board – co-opted
P,N, E	Rev R L Cotton MA Dip Th	Chairman of RGSG Prep Committee. Vice Chairman of Governors. Resigned May 23	Bishop of Guildford
F	Mr D J Counsell FCA	Resigned December 22	Board – co-opted
E	Professor SC Price MSc PhD FBTS ERT FHEA	Resigned July 23	Board – co-opted
E	Dr L S K Linton MA MB ChB MRCP		Staff
E	Mr NEJ Vineall KC MA		Board – co-opted
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F, N	Mr J D Fairley BA	Chairman of the Finance and General Purposes Committee from December 22	Board – co-opted
F, N	Mrs H Styche-Patel BSc, MBA	Vice-Chairman of Governors from July 23. Chairman of Nominations Committee from July 23.	Board – co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
F	Mr PW Fell BA FCA	Resigned March 23	Board – co-opted
E	Mrs F E Carter BA PGCE		RGSG Prep Parents' Association (LPA)
P	Mrs N Nelson-Smith BA		Guildford Borough Council
F,P, N	Mrs M-L Logue MA	Chairman of RGSG Prep Committee from May 23	Board – co-opted
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
P	Mrs K Atkinson BDS		Board – co-opted
F	Mr T Lingard BSCI MINSTP		Royal Grammar School Parents' Association
E	Prof H Treharne BSc MSc PhD SFHEA FBCS		University of Surrey
E, N	Mr M Windsor BA MA	Chairman of Education Committee	Board – co-opted
F	Ms K Spasic ACMA CGMA		Board – co-opted
	Mr D Booth	Resigned May 23	Ex Officio
F	Mr S Meredith BA FCA ChA	Appointed December 22	Board – co-opted
	Mr M More-Molyneux	Appointed January 23	Board – co-opted
F P E N	Members of the Finance and General Purposes Committee RGSG Prep Committee Members of the Education Committee (formerly the Academic Committee) Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary & Treasurer	Mrs CM Perceval BSc	
	The Head (RGS Prep)	Mr T Freeman-Day BA PGCE	

Registered Office	High Street Guildford Surrey GU1 3BB
Principal Bankers	National Westminster Bank Plc Guildford Commercial Office PO Box 1, 2nd Floor G3 2 Cathedral Hill Guildford Surrey GU1 3ZR
Auditors & Tax Advisors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Principal Solicitors	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR

Royal Grammar School Guildford presents its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31st July 2023 and confirms that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2019.

DIRECTORS' REPORT

THE STATUS OF THE SCHOOL

Royal Grammar School Guildford ('The School', 'RGSG') is a company registered by guarantee incorporated in England and Wales, company number 10874615. It is also a registered charity, registered charity number 1177353.

The company Royal Grammar School Guildford is a subsidiary of 1509 Group, which is the sole shareholder of the School, company number 4104101 and charity number 1084866.

The School is a single entity operating on two school sites: the Royal Grammar School Guilford (RGSG) educates boys aged 11-18 while RGSG Prep's pupils are aged 3-11.

As a result of its special relationship with the Cathedral (being the Choir School for the Cathedral) and with the Bishop of Guildford nominating a Governor, Royal Grammar School Guildford is designated as 'a School with a Religious Character'.

GOVERNANCE AND MANAGEMENT

Governing Body

The School has one Governing Body overseeing both age groups. Details of the members of the Governing Body, together with the School's officers and principal advisors, are given on pages 1-2.

The Governing Body is self-appointing. New Governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The Governors are aware of The Charity Governance Code published in 2020 which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the School applies the principles of the code within its current Governance arrangements.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential Governors and their induction. New Governors are provided with the opportunity to view the School, relevant background material about the School and the role of a charity Trustee and an experienced Governor as a mentor during their first year of appointment. Opportunities are provided to attend School events that may give insight into the working of the School and appropriate training courses are offered to Governors. Particular attention is given to the identification of suitable courses for new Governors. During the year Governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee to oversee curricular and educational matters; the RGSG Prep Committee to oversee all matters pertaining to RGSG Prep; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr M Windsor
RGSG Prep Committee	Rev RL Cotton – to May 2023
	Mrs M-L Logue – from May 2023
Finance and General Purposes Committee	Mr PG Peel – to November 2022
	Mr J Fairley – from December 2022
Nominations Committee	Rev RL Cotton – to May 2023
	Mrs H Styche-Patel – from July 2023

The Chief Operating Officer oversees the general business operations of the School and in particular focuses on long-term building programmes, international developments and wider business opportunities, with the day to day running of the School delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams (SMTs)[1] and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit the best possible staff in all areas and from the widest pool of talent. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group is the holding company which retains control of Royal Grammar School Guildford and all other subsidiaries. 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), which works to promote, provide for and raise funds for the School. The Foundation is a charitable company (company number 4232306 and charity number 1089955) and is also a subsidiary of 1509 Group. Considering the financial and non-financial benefit provided by the Foundation, the School has agreed to provide operational resources for the Foundation free of charge.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

[1] The SMTs comprise the Heads, four Deputy Heads, the Senior Master, nine Assistant Heads, the COO and the Bursar.

Engagement with Employees and Employee Interests

Taking care of our people

The Governors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The School reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount importance and mechanisms are in place to support staff and colleagues. This ranges from regular catch up sessions with line managers, staff social events and school wide events, to support from the school counsellor, school nurse and head of human resources.

Communication

Regular updates, meetings and briefings are provided to staff on the day to day operations of the organisation as well as sharing high level changes within the organisation as these arise. Financial updates are provided to staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the School or the sector.

Staff observers are invited to attend the full board of Governors' meetings, so they are aware of the high level issues being discussed.

Strategy groups meet regularly to determine the future direction of a range of areas within the School and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits

Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development

There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained as coaches and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and via our outreach programme and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety

There is a health and safety policy group which covers the whole organisation, with separate committees for each site. These committees are formed of a range of staff based at each site and focus on the immediate needs of that site. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A full time health and safety manager ensures that adequate time and resource is devoted to this area.

Diversity and Inclusion

The Governors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies and practices are non-discriminatory and that all appointments are made solely on the basis of merit. As a result of an independent review of our recruitment process, a full-time recruitment manager has been appointed and other recommendations implemented.

It is part of our ethos that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in

any form. We continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party meets regularly to seek to further improve the School's performance in this area on an ongoing basis.

All staff and Governors continue to receive diversity and inclusion training.

Stakeholder Relations

Royal Grammar School Guildford has a wide community of stakeholders including pupils, employees, parents of pupils, Governors, suppliers and our local community. As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The Governors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. The School is inspected by the Independent Schools Inspectorate and this covers compliance with a range of regulatory matters as well as the educational provision for pupils. The financial operations of the School are independently audited each year and other audits and regulatory inspections happen on a regular basis. There is a wide range of policies for staff which set out what is expected in respect of Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct.

The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Trustees (who are also directors of Royal Grammar School Guildford for the purposes of Company law) are responsible for preparing the Directors' report (incorporating the Strategic 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE VALUES AND AIMS OF THE SCHOOL

The object of the School, as described in its charity commission scheme and the company's objects, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The current School priorities are:

- Collaboration;
- Diversity and Inclusion;
- Student Experience

In pursuit of these aims, RGSG holds and promotes the following values:

- Inclusivity: we remain loyal to our founding principles to educate bright local students, irrespective of background or financial circumstances, and we inherently believe in establishing a culture of diversity and acceptance, and in educating our students in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.
- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where qualities of decency, honesty, courtesy, humility and good humour are celebrated.
- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Courage: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all students, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Collaboration: we work closely with others for mutual enrichment, and encourage a spirit of generosity and service, a sense of perspective, and a firm belief that we can work in partnership with others, locally and internationally, to make a difference and have a positive impact on society.

The Governors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Governors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Governors' objectives for the School are established to deliver a wide-ranging, high quality education to students from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work. This is achieved through the Education Committee and the RGSG Prep Committee alongside a programme of Governor visits.

All pupils are now required to have a specified mobile personal computer to support quality remote and in-class teaching and learning. The School continues to evolve its strategy around use of devices, to seek continuous improvements and achieve the best educational outcomes and to mitigate against future disturbances.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

RGS senior school

A return to post-pandemic routines both in terms of teaching and the co-curricular life of the School were welcomed; this included a return to a normal public examination season. Sitting high-stakes A Level examinations, having never before experienced formal public examinations due to the pandemic and faced by daunting media coverage in the run-up to the results, placed real demands and stress on our students. As the Government attempted to stop grade inflation and bring results back to pre-pandemic levels, this year was all the more challenging and daunting. Despite the media furore, however, the School achieved an outstanding set of A Level results: the most common grade achieved by RGSG students was the A* with 41.5% of all grades being the top, gold-star standard. 75.4% of all grades – or in total 347 grades – were awarded at A* or A. From a cohort of 142 students, 36 boys achieved 3 or more A*s: an incredible achievement in traditionally robust, rigorous subjects. At GCSE, the most common grade achieved by our students was the gold-standard grade 9; in total 742 grade 9s were achieved, 45.4% of all grades. In addition, 470 grade 8s were also secured by this impressive cohort: 74% of grades were at grade 9 or 8. 61 students achieved ten or more grade 8 and 9s; 22 boys secured 10 or more grade 9s.

RGSG students continued to secure places on the most competitive courses at the leading universities in the country; 94% of all offers held to UK institutions were to Russell Group Universities or *Times Top 20* institutions. Of a talented cohort, 23 students received offers from Cambridge and Oxford Universities; in the last 10 years, RGSG boys have received just over 250 offers from Oxford and Cambridge Universities. Cambridge, Exeter, Durham and Bath have been in the top five every year for the last six years in terms of the number of RGSG boys accepting places; Bath and Durham were the most popular university destinations, closely followed by Exeter and Cambridge. RGSG students were accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering. Sciences as well as business/management/finance/economics and also engineering remained the most popular choices.

A full and varied co-curricular programme provided the springboard for diverse achievement and experience, as well as the further nurturing of the Learning Habits and School Values which are at the heart of school life. The following provides a very brief and selective overview:

- Charitable initiatives and volunteering opportunities abounded as RGSG students of all ages and staff gave practical, hands-on help and support to a number of local, environmental and community initiatives.
- £36,808 was raised for the nominated School charities during the year, as the School continued to adhere to its value of service and collaboration to make a difference to others, with fundraising from small scale to grand scale – cake and doughnut sales, home clothes days and House charity events and food bank collections.
- The School continued to nurture and establish partnerships with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective. Our Masterclass programme, our Tudor project and our Strings Scheme were just some of the events which stretched and challenged local pupils.
- Academic, adventurous, cultural and sporting trips flourished, as the School continued to look for every opportunity to support learning inside and outside the classroom. These included a music tour to the lakes in Italy, a cricket tour to Dubai, an expedition to Vietnam, skiing in France, and language trips to Berlin, Rome, and Seville, to name but a few.
- A significant number of boys achieved national or international sporting recognition from the mainstream sports to more minor sports. The School continued to impress on a challenging circuit in the major sports – rugby, hockey, and cricket – as well as enjoying notable success in fencing, shooting, skiing and sailing, among others. Highlights of the year included the 1st XV rugby team remaining unbeaten at home including victories against Epsom College, St Paul's and Cranleigh, Ehsan Anwar-Khan represented England in the U18 hockey team, Hayden Christian was selected for the England Schools U18 athletics team, the 1st XI football team won the Independent Schools National Shield Trophy, the first national trophy our footballers have won since before the Second World War.
- From the Arts' perspective, concerts, plays and exhibitions of breath-taking quality were experienced by parents, residents and the wider community: both staged at school as well as at a number of local and national venues. These included *Lord of the Flies*, *The Odyssey*, *Les Misérables*, and the A Level and GCSE devised performances. The Choristers continued to perform wonderfully at Evensong services alongside annual highlights such as Senior Musician of the Year, the massed ranks of the joint choir at G Live, and Rockefest at the Boiler Room.
- RGSG students enjoyed national profile in the Model United Nations, Science Olympiads, debating, national essay and engineering competitions. Of particular note, two of our students received international recognition. Freddie Weir was a member of the UK team which won Gold in the 16th International Olympiad on Astronomy and Astrophysics in Poland. The UK team achieved a sweep of 5 gold medals for the first time ever in the UK's history for a STEM Olympiad. Tom Postance was part of the UK team which competed in the International Biology Olympiad in Dubai. Tom was awarded a Silver medal, putting him among the top 100 student biologists in the world.

RGS Prep School

In the second year of being RGS Prep (formerly Lanesborough), RGS Prep continued to prepare boys brilliantly for their futures whilst giving a broad and balanced curriculum where all can succeed.

For the first time since 2018-19, RGS Prep ran a full programme of events including Carol Service, Harvest Service and Sports Days.

Alongside all the wonderful events, lessons, visits, trips and visitors, our Year 6 were extremely successful, with a number of scholarships and awards being given. Here are some of the many successes we have experienced this year:

- 13 scholarships were awarded for their senior schools in the full range of Music, Headmaster's Award, Sport and Academic
- A further 20 scholarships were offered but declined
- The scholarships were offered to over 20 different pupils
- 125 awards were achieved in ABRSM exams, ranging from Pass to Distinction; from initial grade all the way up to Grade 7
- 89 boys achieved a bronze, silver, or gold in the JMC
- Sport continues to be a very important part of life at RGS Prep. The sports staff have revamped the sports academies, introducing a three-tier system - the Blue, Green, and Red academies. This allows boys to train with various coaches in each academy and compete for places on the teams within their respective academies. This approach provides clear and defined tiers for training, enabling more tailored development opportunities while maintaining an exceptionally high standard of performance. We continued to employ 2 Sports Apprentices alongside our three specialist sports staff
- Music, as always, plays a huge part in the life of RGS Prep. There has been a further increase in the number of instruments available for boys to learn – and this, in turn, has increased the number and quality of the ensembles available. Choristers did brilliantly well to perform with some quite restrictive conditions and have come out of it even stronger, with some fantastic performances held at the Cathedral including regular Evensongs, Sunday services and extra performances with both the RGS and external composers
- Drama, through specialist teaching in both Pre-Prep and Prep, continues to grow and flourish. Our Pre-Prep boys all performed with great confidence in their Nativity. Over in Prep, the Drama Club's hilarious production of 'Star Warts' was a great success in February. This was closely followed in March by 'Speak Out!,' the annual public speaking competition involving all Year Groups. The Year 4 boys presented a music and drama co-curricular production towards the end of the Lent term to an engaging audience. The Trinity term productions in both Pre-Prep 'Animal, Rumble, Grumble' and Prep Year 6's 'Four Comedy Vignettes', ended the year in a truly dramatic fashion!
- As always, the boys very much look forward to the annual **residential trips**, enjoying the excitement and challenge of being away from home. Every summer term the boys in Years 3 – 6 come off curriculum for a week to take part in an Activities Week, which involves residential trips, day excursions and project work. Trips have gone across England and Wales, with Year 6 enjoying the ever-wonderful French trip. This year Prep boys' trips were as follows:

  Year 3- Polesden Lacey Year 4- Bushcraft in Oxfordshire
  Year 5- Woodland Adventure-Bewdley Year 6- Buddens Activity Centre Wareham
- Pre-Prep boys enjoyed various on-site activities and some day trips. As well as this, our Head of MAG&T ran another brilliant 'Inspire Day' which included the Apollo team from Robot Wars, professional footballer, Olympic sprinter, sports cars parked on the field, the creation of biospheres and much, much more. The idea of this day was to inspire boys to look at all the different and exciting possibilities that are there, not always the academic ones
- The boys continue to support a wide range of charities, both local and international including the WWF, Cancer Research, St John's Ambulance, NHS Together, Kent, Surrey, Sussex Air Ambulance and Disability Challengers, along with the food bank drive for Harvest. As well as this, we have supported local and international schools with sharing teaching expertise, resources, uniform, curriculum documents and training days
- RGS Prep is supported by a wonderful and very active **Parents' Association (the LPA),** which organises many exciting events to raise money for the school. The Christmas Fair was a highlight, and it was wonderful seeing all the boys' buying presents for their loved ones. The

LPA were fabulous in putting together the summer fayre, quiz night, Easter bazaar and new parents' drinks – all to raise money and keep the community spirits up. We are very grateful for the work they put in, they very generously donated £5,000 towards our new Pre-Prep library

- Our yearly **Prize Giving** events are highlights of our year when we can share and celebrate the numerous and varied achievements of all the boys at RGS Prep. It is a wonderful occasion shared with the school, parents, Governors, and VIPs. This year, we held the Junior Prize Givings individually in the LPS and the Senior Prize Giving on the field. Parents attended to celebrate the boys, which was then followed by a delightful afternoon tea. It was a wonderful event and parents were delighted to be given the opportunity to visit the school for one last time with their sons. This year we held it in a stretch tent to avoid getting sunburnt for a third consecutive year!
- **The site** has seen a lot of developments over the holidays. Rooms continue to be repainted with the new muted tones in order to help boys' attention. This is also reflected in our new notice board scheme. The aforementioned Pre-Prep library has gone into the back of the Pre-Prep Hall and the nursery classroom has had a much-needed overhaul
- **Pupil numbers** have decreased from last year's post-Covid high. September 2021 the school had 319 on role. September 2022, the school had 343 on role. September 2023, the school had 334 on role.

Public benefit

The main beneficiaries of the School's work are boys aged 3 to 18 attending its schools. Governors have given due consideration to the Charities Commission guidance on Public Benefit guidance under Charities Act 2011 when considering activities in this area.

Governors wish the School's education to be widely available and so bursary/financial support applications are welcomed from families who could not otherwise afford to send their son to the School. Financial support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees are also considered on top of this. In the year, 71 boys benefitted from financial support funding of over £1 million. Within this are 27 boys who received full fee remission for at least one term.

In addition to financial support for fees, the School gives opportunities to pupils of local schools to share the School's expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- Both the Prep and Senior School are founding members of the newly formed West Surrey Partnership – a independent & state school partnership involving secondary and primary schools in the wider Guildford area. The partnership exists to promote mutually beneficial educational opportunities with a particular focus on student literacy, sustainability and student leadership. As part of the steering group, RGS took a lead role in the formation of the partnership, creation of its aims, and organisation of two pilot events: a spoken word literacy event involving over 1,000 students and a Y12 sustainability conference involving over c.100 students.

- The School is an associate member of the local Learning Partners (LP) Multi Academy Trust (MAT). The Headmaster of RGS is an LP Trustee, an RGS Deputy Head is a Governor of Guildford County School, the RGS Bursar a Governor of Sandfield Primary School and an Assistant Head a Governor of Kings College.

- Three RGS staff are deployed to teach in LP schools: Throughout the year RGS staff provided Physics tuition for Y11 Kings College pupils; Introductory Latin classes for Y7&8 King College pupils; and French lessons for Y5&6 Sandfield Primary School pupils.

- The Enquiring Teacher Partnership, which facilitates teachers engaging in action research in their schools, is a flagship partnership programme and is jointly led and administrated by RGS with the LP schools and Epsom College. The RGS oversees the publication of the Enquiring Schools Journal; This annual record is a wonderful publication bringing together all of the research from last academic year.

- As part of our partnership with LP, the School continued specifically to support a local Secondary School (Kings College). An Assistant Head continued to act as the Governor with specific responsibility for Safeguarding. The Physics department continued to support the Kings Triple Science pupils by delivery of Physics lessons and revision classes. The Maths department continued to organise the Y9 problem-solving Maths sessions for Kings pupils delivered by our Sixth Form pupils.

- The RGS Director of Higher Education visited Fullbrook School (LP) to review and discuss university our approach to preparation including Oxbridge preparation. Fullbrook Students and parents were invited to the RGS higher education presentation evenings.

- Following the success of last year, an RGS Physics teacher supported Science events at Loseley Fields Primary School by delivering practical Science enrichment activities.

- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other educational providers and sharing of provision. The RGS continued to lead an innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). In 2022-23 we ran 21 events from 5 different organisations with c.100 students attending from 8 different schools. (www.imag.education)

- Several RGS Staff act as Governors or Trustees at other schools or organisations:
    - Jon Cox – Learning Partners MAT (LP) Board Trustee
    - Jon Cox – Merchant Taylors' School Governor (Indep.)
    - Bob Ukiah – Bourne MAT Board Trustee
    - Adrian Woodman – Guildford County School, Governor (LP)
    - Kate Perceval – Sandfield Primary School, Governor (LP)
    - Adam Moore (Prep) - Hampton Wick School, Kingston, Governor
    - Tom Shimell – Kings College Governor (LP)
    - Paul Lyons - Raleigh School, West Horsley, Governor
    - Sara-Jade Hussan – Heathlands School, Hounslow, Governor
    - Sam Burns – Twickenham School, Whitton Governor
    - Richard Black – The Butts Primary School, Alton
    - Martin Hanak-Hammerl – Busbridge Junior School, Parent Governor
    - Tom Owens – Twickenham Prep School Governor (Indep.)
    - Sarah-Jade Hussan - Heathlands School, Hounslow, Governor
    - Thishani Wijesinghe - Sandfield Primary School, Governor (LP)
    - Dale Chambers – SPM Educational Outreach Officer

- There are also significant Outreach programmes for primary and secondary pupils. For example:

    - The **RGS Strings Scheme** teaches all year 4 pupils in three Guildford primary schools (St Thomas', Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Over 200 pupils now take part in the scheme each week. Twice a year concerns are held for parents which enable every pupil to perform. This scheme is only possible due to working in partnership with the generous support of our principal donors: The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS), Southern Pro Musica Orchestra, the Mila Charity and the Sheryl King Trust. The 'Strictly Strings Orchestra' for continuers hosted at the RGS allows approximately 20 graduates of the string Schemes to continue to play in an orchestra to complement their individual tuition.

    - At the **RGS Primary Masterclasses** we hosted c.120 Y6 pupils from over 20 different Primary schools for lessons on four Saturday mornings in September and October. Students picked from a suite of six 'strands': Creative Arts (Drama, Music, Art, Writing); Design Technology; Humanities (History, Politics, Geography, RE); Mathematics; MFL (Arabic, Chinese, Russian, Japanese); and Science (Biology, Chemistry, Physics, Forensics). These sessions are to provide stretch and challenge to able pupils, to build confidence and to excite about transition to secondary school.

    - The **Primary Tudor Experience** returned to nearly full capacity: We hosted c.400 pupils over 13 class visits from 7 different schools. Each visit comprises: transport to and from RGS paid for by RGS; an introduction to the history of the Tudor school including the Chained Library; a Tudor music and dance session, a heraldry session; a Tudor art and anamorphosis session; and an ICT session to make a video record of their visit. *"I would personally like to thank you and your entire staff for their time and consideration spent with our Year 5 class. All of the children came away with a variety of different experiences and new learning that they have been very keen to share … It was very much enjoyed and sparked a lot of additional conversation on the topic… Please pass on our thanks to all involved and we would love to do it again, given the chance."*

    - Our Sixth Form pupils are able to volunteer to support and to serve the local community via a Charity fundraising for local national and international charities (not reported on here); Volunteering for conservation work and visits to local care homes (not reported on here); DoE volunteering (not reported on here); and during activities sessions and General Studies. In the latter two categories, our Sixth Form groups: Continued to run the chess club at Sandfield Primary; Delivered a Maths club, a chess club at Holy Trinity Primary School; Delivered Y9 Maths problem solving for Kings College pupils; and visited Abbot's Hospital residents to record oral histories.

    - At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Besisahar, Nepal. This year we paid for, organised and hosted a visit from The Bhu Pu Sanik School Headmaster and four of his pupils (two boys and two girls). The pupils joined our school communities at RGS and Tormead for a week of lessons and activities as well as taking part in cultural exchanges.

- This year we continued our links with the 'Big Leaf' charity to provide access to our all-weather football pitch for their weekly training sessions. Big Leaf work with 16-25 year-old displaced people from any country.

- Other miscellaneous outreach included:

  - MFL: We welcomed Woking College pupils of German and Spanish for an MFL 'Speed-debating' event. **Heritage Open Day:** This is one of the only occasions when the Tudor Old Building including the Chained Library is open to members of the public.
  - **Tennis:** We allowed George Abbot Students and staff to use the tennis courts at our sportsground to enable them to undertake filming for GCSE PE moderation (which was not allowed on public courts).
  - **Learning Support:** SENCO delivered a training session to a group of Business Studies trainee teachers at the Institute of Education.
  - **Careers:** RGS hosted a Medicine careers event; 5 young OG medics were on a panel Q&A answering questions about everything to do with training, study, daily life as a doctor, specialist areas of work, strikes, ambitions and challenges working in the NHS. The event was open to 11 local schools for pupils: 61 pupils from other schools attended – from Collingwood, Guildford County, GHS, Heathside, Howard of Effingham, St Catherine's, St Peter's and Tormead. We received Lots of positive comments as such as this as one from a parent afterwards: *"I wanted to take a moment to thank you for the wonderful medical seminar you hosted yesterday. The panel conversations and different views made for an incredibly interesting and thought-provoking discussion at home."*

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company's employees
3. The need to foster the Company's business relationships with suppliers, beneficiaries and others
4. The impact of the Company's operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company.

<u>Beneficiaries</u>

The beneficiaries of the organisation are the pupils and the Governors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings **The values and aims of the School** and **achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.
The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the Governors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors' report

Community and Environment

The School is at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of Governors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors' report, each committee has a specific focus, but considers the overall impact of decisions on the wider organisation.

Culture and Values

The aims and values of the school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by Royal Grammar School Guildford is included in the table below.

		kWh	Mileage	KgCO2e	tCO2e
Gas	2022-23	1,825,619	n/a	328,611	329
	2021-22	1,854,861	n/a	333,875	334
	2020-21	2,897,813	n/a	530,763	531
Electricity	2022-23	1,040,431	n/a	215,446	215
	2021-22	984,477	n/a	190,378	190
	2020-21	1,004,177	n/a	213,217	213
Transport	2022-23	84,525	57,500	20,286	20
	2021-22	73,368	49,240	17,608	18

	2020-21	86,800	56,000	20,559	21
Total	2022-23	2,950,575	57,500	564,343	564
	2021-22	2,912,715	49,240	541,861	542
	2020-21	3,988,790	56,000	764,540	765

UK energy use covers all educational and ancillary activities across the School.
Associated Greenhouse gases have been calculated using 2023 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For Royal Grammar School Guildford we have used the average number of pupils over the year as the relevant operational driver. **In 2022/23, 1,316 pupils accounted for emissions of on average 429 kg Co2 each (2021/22: 1,289 pupils accounted for emissions of on average 420 kgCo2e each)**.

Continuing our rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- We continued our roll out of energy efficient LED fittings across all sites
- Ongoing replacement of single glazed windows with double glazed units
- Continued replacement of internal and external doors to reduce heat loss
- Boilers replaced with more energy efficient models
- Washroom areas which have been refurbished have had mixer taps with improved flow regulation and effective thermostatic mixing valves installed
- During refurbishment works, use of skips is minimised in favour of appropriate recycling and use of registered waste carriers

Additionally

- We have an active sustainability/environmental committee within the school which has come up with many initiatives to prompt energy saving and awareness
- Of our fleet of 15 buses and vans only 4 do not comply with the ULEZ requirements. We have also added additional electric car charging points.
- We have monitored air quality on our sites both internally and with third party involvement
- When planning for future building enhancements and developments, sustainability considerations have been a high priority
- Food waste is collected separately, and the volume closely monitored by our catering contractors
- General and recycling waste is carefully monitored with placement and style of receptacles regularly reviewed
- We actively seek to work with energy suppliers that use renewable energy and act on being carbon neutral

FINANCIAL REVIEW

Results for the year

The operation of the School during the year to 31st July 2023 generated net income of £0.3m, £0.7m below net income generated in the prior year (2022: £1m).

The School's income of £27.2m was £2m (8%) higher (2022: £25.2m), reflecting higher fee income (+£1.6m) from higher average fees per pupil (+4.9%) and pupil numbers (2023: 1,316; 2022: 1,289), and higher other income (+£0.4m) for the first full year of trips, clubs and activities without the pandemic restrictions in place for part of 2021/22.

The value of fee remissions awarded varies from year to year, depending on prevailing circumstances and the needs of each cohort. While non means-tested remissions are being managed downwards, over time the value of means-tested remissions awarded is growing, in line with the School's ambition for its education to be as widely accessible as possible.

Total income included investment income of £83k (2022: £4k) and £346k (2022: £340k) donations.

Expenditure was £2.7m higher (2023: £26.8m; 2022: £24.1m). Higher expenditure arose in staff costs (+£1m), premises costs including higher energy and maintenance costs (+£0.7m), non-staff teaching costs (+£0.5m, also due to the first full year of trips, clubs and activities), higher depreciation (+£0.2m, including depreciation on new leased student portable computers) and higher other costs (+£0.2m).

The 2022-23 school year saw a second year of uninterrupted in-person, on-site learning. A full programme of sporting activities and clubs resumed and overseas trips took place. With the return to on-site learning and an increased range of activities, expenditure on resources and running of the school buildings returned to pre-pandemic levels.

The School generated cash sufficient to cover £1.1m capital expenditure on its facilities (see note 6) and to allow the School to repay the £3m balance of a bank loan originally put in place to finance past major capital expenditure (see note 11).

With effect from 31st August 2021, the School elected to withdraw from the Surrey County Council Superannuation Fund and finalise its pension liability, in respect of this scheme, as at that date. The final valuation invoice of £1.75m, which was favourable to previous estimates, was received from the Fund in 2021/22 and remains fully provided for in these accounts.

With persistently high inflation, higher interest rates and volatile energy prices, the economic background remains challenging. Despite this, demand for places at the School remains strong, and the School believes pupil numbers will remain stable for the foreseeable future. The Governors have considered the impact of these factors on the School's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability

Reserves are held for two main purposes: (i) to finance future major capital development of the School's premises and (ii) to be available to cover unexpected contingencies such as a significant loss of income or the short term impact of potential adverse changes affecting the independent school sector, for example adverse changes in future taxation.

It is not considered appropriate for the School to hold, or to aim to hold, no reserves, as this would leave the School unable to fund future major capital development or unexpected contingencies. Most of the reserves held are intended to be spent on major capital development in the medium to long term, and some are held in order to be available to cover potential contingencies in the nearer term.

The vast majority of the School's funds are held in the form of the buildings and physical assets. At 31 July 2023 the School's total funds were £39.4m (2022: £39.1m) which included £47k of unspent restricted income (2021: £170k). Net current assets - broadly equivalent to liquid reserves - of £2.5m were held at the end of the year (2022: £3.8m). Free reserves as at 31 July 2023 were £3.1m (2022: £5.3m).

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. Demand for places at the School remains strong. Nonetheless, these scenarios consider reduced pupil numbers, delayed fee payment and potential bad debts, cost inflation and increased interest rates. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are sufficient to meet the charity's obligations as they fall due.

Having regard to the above, the Governors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The School reviews its investment policy annually and adapts it if appropriate. The policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs) which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held as cash on behalf of Restricted funds will be credited with interest at the School's marginal borrowing rate
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the Schools.

In the long term the School's investment objective is to invest in funds to achieve returns in excess of RPI, while remaining weighted towards cash and fixed income. In the short term investment is being made in buildings.

The School's investments relate to restricted and prize funds. The performance of the funds has been in line with expectations. For more detailed information about the School's investments, please refer to note 7.

Fundraising

Fundraising for School funding priorities is exclusively carried out by the Royal Grammar School, Guildford Foundation Limited, which raises funds for bursaries. The costs of the Foundation are met entirely by the School.

The Foundation's fundraising activities are carried out by an in-house staff team. The Foundation adheres to the Code of Fundraising Practice. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances.

FUTURE PLANS

The School's development plan is agreed by Governors and is subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community;
- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level;
- To continue to enhance our student experience and further develop support for students' and staff welfare;
- To foster outstanding teaching and personal development such that everything we do makes us better at everything we do;
- To continue to work towards widening access to the school for able students with limited means;
- To proactively seek to create a staff and student body which is diverse and inclusive, reflecting the community we teach;
- To adapt to the impact of potential tax changes.

These plans underpin individual detailed development plans for each area, which will enhance the School's ability to provide an exceptional education and student experience.

RISK MANAGEMENT

The Governors have examined the principal areas of the School's operations and considered the major risks faced in each of these areas. The risk assessment is updated at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGSG Education committee and the RGSG Prep committee as appropriate before passing to the F&GP committee and the Board for discussion.

The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the School's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGSG or RGSG Prep could detrimentally affect the School's admissions and performance. The development of members of the senior team and ongoing support of the governors will help reduce the impact of a change of Head.

- Uncertainties within the economy could further affect parents' finances and could lead to increased debts to the School and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- Changes in the political climate could lead to the introduction of legislation that could lead to financial pressure on independent schools. The outcomes of policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.
- Incidence of a pandemic or other events adversely impacting on the School's ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Impact lower as excellent remote teaching and learning capability has been rolled out and enhanced by the School during the periods of lockdown, significantly mitigating the risk of the School being unable to deliver quality education.

The School has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the School's day to day operations. The School regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:

SK Creedy

_____

21st December 2023

Mrs S K Creedy

Independent auditor's report to the members of the Royal Grammar School Guildford

Opinion

We have audited the financial statements of the Royal Grammar School Guildford for the year ended 31 July 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Directors' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

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

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

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to regulations related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

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

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

Use of our report

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



Tracey young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 5 January 2024

Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2023

	Note	Unrestricted Funds	Restricted Funds	2022-2023 Total	2021-2022 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2	24,861	0	24,861	23,295
Other educational income	3 (a)	1,173	0	1,173	1,045
Other ancillary trading income	3 (b)	275	0	275	214
Donations and Legacies					
Donations and Legacies		0	346	346	340
Investments					
Income from Investments		80	3	83	4
Other income	3 (c)	445	0	445	273
Total income		26,834	349	27,183	25,171
Expenditure on:					
Raising Funds					
Financing costs under Advance Fee contracts	4 (a)	3	0	3	2
Bank interest	4 (a)	51	0	51	61
Total fundraising costs		54	0	54	63
Charitable activities					
Schools and grant making	4 (b)	26,411	363	26,774	24,086
Ancillary trading	4 (b)	6	0	6	0
Total Expenditure		26,471	363	26,834	24,149
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		363	(14)	349	1,022
Net (losses) on investments		(1)	0	(1)	(8)
Pension Cessation Actuarial (Loss)	16 (v)	0	0	0	(1,070)
NET INCOME/(EXPENDITURE)		362	(14)	348	(56)
Transfers between funds	13 (d)	109	(109)	0	0
NET MOVEMENT IN FUNDS FOR THE YEAR		471	(123)	348	(56)
Fund balances brought forward at 1 August 2022		38,918	170	39,088	39,144
FUND BALANCES carried forward at 31 July 2023		39,389	47	39,436	39,088

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

	Note		2023		2022
FIXED ASSETS		**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	6		37,372		38,093
Investment assets	7		46		153
			37,418		38,246
CURRENT ASSETS					
Stocks	8	57		66	
Debtors	9	861		1,133	
Cash		8,652		10,052	
		9,570		11,251	
CURRENT LIABILITIES					
Creditors payable within one year	10	(5,302)		(5,728)	
Pension Scheme Liabilities	16 (i)	(1,754)		(1,754)	
NET CURRENT ASSETS			2,514		3,769
TOTAL ASSETS LESS CURRENT LIABILITIES			39,932		42,015
LONG TERM LIABILITIES					
Creditors payable after one year	11		(496)		(2,927)
TOTAL NET ASSETS			39,436		39,088
Represented by:	13				
RESTRICTED FUNDS			47		170
UNRESTRICTED FUNDS					
Designated Funds		36,278		33,650	
General Funds		3,111		5,268	
UNRESTRICTED FUNDS			39,389		38,918
TOTAL FUNDS			39,436		39,088

Approved by the Board of the Royal Grammar School Guildford, on 21st December 2023 and signed on behalf of the Company by:

SK Creedy

Sarah Creedy - Director

Tom Lingard - Director

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

	Note		2023		2022
NET CASH INFLOW FROM OPERATIONS		**£000**	**£000**	**£000**	**£000**
Net cash provided by operating activities	note (i)		(245)		2,280
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for tangible fixed assets	6	(1,083)		(584)	
Proceeds on sale of tangible fixed assets		5		7	
Proceeds on sale of investments	7	107		0	
Investment income and bank interest received		83		4	
Net cash (used in) investing activities			(889)		(573)
Cash flows from financing activities:					
Overdraft repayment		(216)		(225)	
Finance lease interest		(19)		0	
Loan interest charge		(23)		(51)	
Other finance costs		(9)		(10)	
Net cash used by financing activities			(267)		(286)
Change in cash and cash equivalents in the reporting period	note (ii)		(1,401)		1,421
Cash and cash equivalents at 1st August 2022			10,052		8,631
Cash and cash equivalents at 31st July 2023			**8,651**		**10,052**

(i) Reconciliation of net income to net cash inflow from operating activities

	2023	2022
	£000	**£000**
Net incoming resources	349	1,022
Elimination of non-operating cash flows:		
- Investment income	(83)	(4)
- Finance costs	267	286
(Profit) on sale of fixed assets	(5)	(7)
Depreciation	1,804	1,597
Decrease/(Increase) in stocks	9	(9)
Decrease/(Increase) in debtors	272	(209)
(Decrease) in creditors (excluding fees in advance scheme and deposit)	(3,103)	(560)
Increase in fees in advance scheme creditors	199	63
Increase in parents' deposits	46	101
Net Cash Inflow from Operating Activities	(245)	2,280

(ii) Analysis of changes in Cash and Cash equivalents

Analysis of balances at 31 July	Change in Year	2023	2022
	£000	**£000**	**£000**
Cash	0	4	4
Cash Equivalents (Deposit < 3 months)	(1,400)	8,648	10,048
Changes in Cash and Cash equivalents from the School's operations	**(1,400)**	**8,652**	**10,052**

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

At the time of approval of the Annual Report, turbulence continues to be experienced in the UK economy, with rising interest and inflation rates, and the long term impact on the charity, in common with other businesses, remains unknown. The charity holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at Royal Grammar School Guildford remains strong, with continuing high numbers enrolled for the academic year 2023/24. Collection of fee income continues to be robust. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the governors believe the Schools' financial resources are sufficient to ensure there is no material uncertainty about the School's ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the governors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the governors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by the School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the group are credited to school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Investments are shown at their fair values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted or restricted funds as appropriate and are accounted for in the SOFA.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £5,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	-	2% per annum on a straight line basis
Furniture & Fittings	-	15% per annum on a straight line basis
Computer Equipment	-	33% per annum on a straight line basis
Photocopiers	-	20% per annum on a straight line basis
Motor Vehicles	-	20% per annum on a straight line basis
Playing Field Equipment	-	12.5% per annum on a straight line basis
Leasehold Property	-	over the length of lease
Leasehold Improvements	-	over the length of lease
Major Refurbishment	-	4% per annum on a straight line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

In the past the School also contributed to the Surrey County Council Superannuation Fund, a defined benefit scheme for support staff. With effect from 31st August 2021, as a consequence of dwindling employee membership, the School withdrew from this scheme. The closing liability of the School in respect of the Surrey County Council Superannuation Fund is included in creditors at year end.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Scheme.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31st July 2023. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. Under FRS 102 all deposits are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held

at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity the School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2023 £000	2022 £000
The school's fee income receivable comprised:		
Gross fees	26,194	24,629
Less: Total bursaries, scholarships and discounts	(1,679)	(1,674)
	24,515	22,955
Add back: Bursaries paid for by Restricted Funds	346	340
	24,861	23,295

Bursaries were awarded from Restricted/Unrestricted Funds to 71 individuals (2022: 73).

3. CHARITABLE INCOME - OTHER

(a) Other educational income	2023 £000	2022 £000
Registration fees	61	67
Sundry parental receipts	1,112	912
Sub-lettings	0	66
	1,173	1,045

(b) Other ancillary trading income	2023 £000	2022 £000
Income from recharges to International Activities	275	214
Total for School	275	214

(c) Other income	2023 £000	2022 £000
Gains on sale of tangible fixed assets	6	7
Other	439	266
	445	273

4. ANALYSIS OF EXPENDITURE

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2023 Total £000	2022 Total £000
Loan interest charge	0	23	0	23	50
Finance lease interest	0	19	0	19	0
Other finance costs	0	12	0	12	13
Total finance costs	0	54	0	54	63
(b) Charitable activities					
Schools and grant making					
Teaching	13,566	2,327	179	16,072	14,845
Welfare	83	1,398	0	1,481	1,260
Premises	537	3,122	1,098	4,757	3,979
Support costs of schooling	2,430	1,161	527	4,118	3,662
Donations, Grants, awards and prizes	0	346	0	346	340
School's operating costs	16,616	8,354	1,804	26,774	24,086
Ancillary trading costs	0	6	0	6	0
Total Charitable Expenditure	16,616	8,360	1,804	26,780	24,086
Total Expenditure	**16,616**	**8,414**	**1,804**	**26,834**	**24,149**

Prior year Analysis of Expenditure

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2022 Total £000	2021 Total £000
Finance costs	0	63	0	63	123
(b) Charitable activities					
Schools and grant making					
Teaching	12,792	1,870	183	14,845	13,506
Welfare	78	1,182	0	1,260	990
Premises	486	2,438	1,055	3,979	3,695
Support costs of schooling	2,241	1,062	359	3,662	3,455
Donations to other charities	0	340	0	340	367
School's operating costs	15,597	6,892	1,597	24,086	22,013
Ancillary trading costs	0	0	0	0	4
Total Charitable Expenditure	15,597	6,892	1,597	24,086	22,017
Total Expenditure	**15,597**	**6,955**	**1,597**	**24,149**	**22,140**

(c) Governance costs included in support costs	2023	2022
Auditors' remuneration *		
Current year charge	34	44
Other services	0	3
Trustees' costs **	2	6
Governance costs	36	53

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to the cost of Governor meetings £1,895 and expenses £452. There are 18 Governors who are directors of RGS and RGS Prep. There was no Trustee remuneration during the year.

5. EMPLOYEES

	Teaching	Other	2023	2022
	£000	£000	£000	£000
Wages and salaries	9,894	2,505	12,399	11,568
Social security costs	1,171	241	1,412	1,308
Pension contributions	2,103	227	2,330	2,199
Other staff costs	398	77	475	522
	13,566	3,050	16,616	15,597

Average number of employees during the year	2023		2022	
	Full time	Part time	Full time	Part time
Teaching	134	41	132	41
Non Teaching	69	45	69	48
	203	86	201	89

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:	2023	2022
£60,001 - £70,000	38	28
£70,001 - £80,000	12	11
£80,001 - £90,000	2	2
£90,001 - £100,000	2	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	0
£150,001 - £160,000	0	1
£160,001 - £170,000	1	0
£250,001 - £260,000	0	1
£270,001 - £280,000	1	0
	58	46

A number of staff are not members of any pension scheme and the employer pension contribution is paid to them as part of their overall package and is included in the pay bands above.

Pension contributions of £869k (2022 - £677k) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £783k (2022 - £605k) were made into a defined benefit pension scheme.

The aggregate employee benefits of key management personnel (the Senior Management Teams of both schools) including employers' pension contributions and National Insurance total £2,233k (2022 - £1,977k).

During the year there were two redundancy or termination payments totalling £12.5k (2022: £13k).

No remuneration was paid to Governors during 2023. Expenses paid to Governors totalled £0.5k (2022: £0.5k).

6. Tangible fixed assets

Cost and depreciation

	Computer Equipment	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Property	Total
Cost	£000	£000	£000	£000	£000
At beginning of year	1,297	49,612	2,129	4,230	57,268
Additions	447	580	0	56	1,083
Disposals	0	0	0	(35)	(35)
At end of year	1,744	50,192	2,129	4,251	58,316
Depreciation					
At beginning of year	1,147	14,046	1,154	2,828	19,175
Charge for the year	179	1,051	47	527	1,804
Eliminated on Disposal	0	0	0	(35)	(35)
At end of year	1,326	15,097	1,201	3,320	20,944
Net Book Value					
At end of year	418	35,095	928	931	37,372
At beginning of year	150	35,566	975	1,402	38,093

7. Investment assets

	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	46	0	46
Disposals	0	0	0
Unrealised loss	0	0	0
At end of year - (market value)	46	0	46
Cash at investment managers at beginning of year	0	107	107
Movement in year	0	(107)	(107)
At end of year - (market value)	0	0	0
At end of year - (market value)	46	0	46
At beginning of year - (market value)	46	107	153

Investments are held in Common Investment Funds.

8. Stocks

	2023 £000	2022 £000
Catering/cleaning stocks	20	23
School items for resale	37	43
Total stock	57	66

9. Debtors

	2023 £000	2022 £000
Fee debtors	227	155
Less Provision for bad debts	(71)	(58)
Amounts due from other Group companies	358	509
Other debtors and prepayments	347	527
Total debtors	861	1,133

10. Creditors: due within one year

	2023 £000	2022 £000
Bank overdraft (see note 11)	1,219	1,435
Bank loan	0	322
Obligations under Finance Leases	117	4
Trade and other creditors	868	1,064
Other taxes and social security	407	370
Amount due to Foundation	111	132
Accruals	245	187
Acceptance deposits	1,979	1,933
Fees received in advance	142	141
Advanced fees (see note 12)	214	140
Total creditors	5,302	5,728

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31st July 2023 have been included within current liabilities. The prior year acceptance deposits balance has been similarly represented.

11. Creditors: due after more than one year

	2023 £000	2022 £000
Bank loan (see below)	0	2,808
Obligations under Finance Leases	252	0
Advanced fees (see note 12)	244	119
	496	2,927

The bank overdraft of £1.22m (2022: £1.43m) is secured by charges on the freehold and buildings of the school. The overdraft is repayable on demand and is included in Creditors: due withing one year.

The bank loan from NatWest (2022: £3.13m) was repaid in full during the year including a final payment on 3 November 2022 of the balance outstanding at that date of £3.05m. This consisted of £2.8m due after more than one year and £0.25m due within one year.

The bank loans and overdraft are repayable:	2023 £000	2022 £000
Within 2 to 5 years	0	2,479
Within 1 to 2 years	0	329
After more than one year (Note 11)	0	2,808
Within one year (Note 10)	1,219	1,757
	1,219	4,565

This year the obligations under finance leases relate to pupils' surfaces purchased for both RGS and RGS Prep.

The finance leases are payable:	2023 £000	2022 £000
After 5 years	0	0
Within 1 to 5 years	252	0
After more than one year (see above)	252	0
Within one year (see note 10)	117	4
	369	4

12. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2023	2022
	£000	£000
After 5 years	30	0
Within 2 to 5 years	101	41
Within 1 to 2 years	113	78
After more than one year (see note 11)	244	119
Within one year (see note 10)	214	140
	458	259

The balance represents the accrued liability under the contracts. The movements during the year were:

	2023	2022
	£000	£000
Balance at beginning of year	259	196
New contracts	345	201
Amounts accrued to contracts	3	2
	607	399
Amounts utilised:		
In payment of fees	(149)	(140)
Capital repayments	0	0
	(149)	(140)
Balance at end of year	458	259

13. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:
Restricted Funds within the School are mainly made up of ad hoc minor funds and the Bursary Fund which receives restricted bursary donations. All restricted bursary receipts during the year are expended on current year bursaries.

Major Unrestricted Funds:
Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less the overdraft. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the year.

(a) The consolidated net assets at 31st July 2023 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	0	0	0	0
Bursaries		0	0	1	0	1
Ad hoc Minor Funds		0	0	46	0	46
Total Restricted Funds		0	0	47	0	47
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	37,372	0	(1,219)	0	36,153
Prize		0	46	14	0	60
Ad hoc Minor Funds		0	0	65	0	65
Total Designated Funds		37,372	46	(1,140)	0	36,278
School General/Capital Development		0	0	5,361	(496)	4,865
Pension Fund Liability		0	0	(1,754)	0	(1,754)
Total Unrestricted Funds		37,372	46	2,467	(496)	39,389
Total Funds		37,372	46	2,514	(496)	39,436

1. The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and overdraft outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2022 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2023 £000
Gieve fund	106	3	0	(109)	0	0
Bursary fund	1	0	0	346	(346)	1
Ad hoc funds	63	0	0	0	(17)	46
Total Restricted funds	170	3	0	237	(363)	47

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2022 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2023 £000
Designated funds						
Tangible Net Fixed Asset	33,528	0	0	2,625	0	36,153
Prize	57	0	(1)	4	0	60
Ad hoc funds	65	0	0	0	0	65
Total Designated funds	33,650	0	(1)	2,629	(0)	36,278
General						
School General/ Capital Development fund	7,022	80	0	(2,237)	0	4,865
Pension Fund Liability	(1,754)	0	0	0	0	(1,754)
Total Unrestricted Funds	38,918	80	(1)	392	(0)	39,389

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
Transfer of general reserves from Designated Tangible Net Asset fund	(2,625)	2,625	0
Transfer of Gieve fund to School General/Capital Development fund	109	0	(109)
	(2,516)	2,625	(109)

Comparative Allocation of charity net assets

(a) The consolidated net assets at 31st July 2022 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	106	0	0	106
Bursaries		0	0	1	0	1
Ad hoc Minor Funds		0	0	63	0	63
Total Restricted Funds		0	106	64	0	170
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	38,093	0	(1,757)	(2,808)	33,528
Prize		0	47	10	0	57
Ad hoc Minor Funds		0	0	65	0	65
Total Designated Funds		38,093	47	(1,681)	(2,808)	33,650
School General/Capital Development		0	0	7,141	(119)	7,022
Pension Fund Liability		0	0	(1,754)	0	(1,754)
Total Unrestricted Funds		38,093	47	3,706	(2,927)	38,918
Total Funds		38,093	153	3,770	(2,927)	39,088

[1] The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and overdraft outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2021 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2022 £000
Bursary fund	1	0	0	340	(340)	1
Gieve fund	106	0	0	0	0	106
Ad hoc funds	80	0	0	0	(17)	63
Total Restricted funds	187	0	0	340	(357)	170

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2021 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2022 £000
Designated funds						
Tangible Net Fixed Asset	33,990	0	0	(462)	0	33,528
Prize	63	0	(8)	2	0	57
Ad hoc funds	65	0	0	0	0	65
Total Designated funds	34,118	0	(8)	(460)	0	33,650
Not designated						
School General/Capital Development Fund	5,523	4	0	1,495	0	7,022
Pension Fund Liability	(684)	0	0	(1,070)	0	(1,754)
Total Unrestricted Funds	38,957	4	(8)	(35)	0	38,918

14. Operating Leases

As at 31st July 2023, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	**2023 £000**	**2022 £000**
Under 1 year	145	124
More than 1 year and less than 5 years	446	176
	591	300

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2023 were £141,449 (2022 - £124,200).

15. Capital Commitments

At 31st July 2023, the amount of capital works authorised and contracted but not provided for in these accounts is £378k (2022 - £0).

16. Pension Obligations

a. Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,998,480 (2021/22 - £1,886,950) and at the year-end £0 (2021/22 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

From April 2024 the cost to the School of the total TPS employer contribution will be capped with staff contributing the difference between the cap and the new rate of 28.68%. Teachers will be able to opt out of the TPS and join a defined contribution pension plan with a total employer cost, including benefits, at the same level as the cap.

b. Surrey County Council Superannuation Scheme

Until 31st August 2021, the School participated in a defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme, which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008.

The School withdrew from the Surrey County Council Superannuation Scheme during 2021/22, with a cessation date of 31st August 2021. This crystallised the School's portion of the pension scheme deficit, and the value of the cessation deficit as at 31st August 2021 is £1,754,000. This liability appears in creditors at 31st July 2023.

The net pension liability on the Balance Sheet at 31st July 2021 of £684,000 was calculated on an FRS 102 accounting basis at that date. The net pension liability on the Balance Sheet at 31st July 2023 of £1,754,000 is the liability at the point of cessation on 31st August 2021 calculated as an update to the most recent full revaluation of the scheme at 31st March 2019. A reconciliation from the full revaluation at 31st March 2019 to the cessation valuation in these accounts is provided in Note (iv) below.

		Cessation Valuation 31/8/2021 £000	Valuation 31/3/2019 £000
i)	**Funding Position at 31st August 2021 (cessation date):**		
	Liabilities		
	Active	0	2,066
	Deferred	2,078	517
	Pensioner	6,272	2,589
		8,350	5,172
	Assets	6,596	5,916
	Surplus/(Deficit)	(1,754)	744

ii)	**Actuarial Assumptions - Financial Assumption:**		
		£000	**£000**
	Discount rate/anticipated investment returns		
	Pre-retirement	1.0%	4.2%
	Post- retirement	1.0%	4.2%
	Salary increases	3.3%	3.2%
	Benefit increases	2.4%	2.3%

iii)	**Actuarial Assumptions - Longevity Assumption:**		
	Life expectancy from age 65 years	**£000**	**£000**
	Current pensioners		
	Male	22.3	22.1
	Female	24.4	24.3
	Future pensioners		
	Male	23.4	22.9
	Female	26.1	25.7

iv)	**Changes in the fair value of the scheme assets are as follows:**		
		£000	**£000**
	Surplus/(deficit) at 31st March 2019		744
	Interest on surplus/(deficit)	78	
	Investment outperformance	318	
	Contributions greater than cost of accrual	394	
	Change in market conditions	(63)	
	Move to cessation funding assumptions	(3,077)	
	Membership experience	(148)	
			(2,498)
	Surplus/(deficit) at 31st July 2022 and 31st July 2023		(1,754)

v)	**The amounts included in the Statement of Financial Activities are as follows:**	**2023**	**2022**
		£000	**£000**
	Total Amount Charged to the Statement of Financial Activities	0	0
	Net actuarial gains/(losses) recognised in the year	0	(1,070)

17. Analysis of Net Funds/(Debt)

	As at 31 July 2022 £000	Other Movements	Cash Flow £000	As at 31 July 2023 £000
Net cash balances	10,052	0	(1,400)	8,652
Creditors: due within one year				
Finance leases	(4)	(113)	0	(117)
Bank overdraft	(1,435)	0	216	(1,219)
Bank loan	(322)	0	322	0
Advance Fee agreements	(140)	0	(74)	(214)
Creditors: due after more than one year				
Finance leases	0	(252)	0	(252)
Loans	(2,808)	0	2,808	0
Advance Fee agreements	(119)	0	(125)	(244)
	5,224	(365)	1,747	6,606

18. Related party transactions

1509 Group, registered charity number 1084866, company number 4104101, is the parent company of the School, and all other companies in the group. The School is the sole voting member of the Foundation (The Royal Grammar School, Guildford Foundation), registered charity number 1089955, company number 4232306. The RGS Guildford International Limited, company number 09633181, RGS Guildford International (Dubai) Limited, company number 11422203, RGS Guildford International (China) Limited, company number 12104738, RGS Guildford Enterprises Limited, company number 12248925 and RGS Guildford International (Oman) Limited, company number 13833679 are all subsidiaries of the 1509 Group.

During the year the Royal Grammar School Guildford charged the RGS Guildford International Ltd £81,930 (2022 - £89,117) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £0.00 (2022 - £154,497).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Dubai) Ltd £49,016 (2022 - £51,995) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £43 (2022 - £1,583).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (China) Ltd £49,016 (2022 - £72,474) relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £0.00 (2022 - £754).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Oman) Ltd £49,015 (2022 - £0.00) relating to time spent on International work. At the end of the year RGS Guildford International (Oman) Ltd owed the School £0.00 (2022 - £0.00).

During the year the Royal Grammar School Guildford charged the RGS Guildford Enterprices Ltd £46,450 (2022 - £0.00) relating to time spent on International work. At the end of the year RGS Guildford Enterprises Ltd owed the School £3,248 (2022 - £0.00).

The Foundation transferred £345,881 of donations to the school for the year (2022: £340,161). The Foundation's costs of £271,500 (2022: £272,518), for both fundraising and alumni work were covered by the School during the year. At the end of the year the Foundation owed the School £353,737 (2022: £340,414). The School made a transfer to the Foundation of £111,000 in 2023 (2022: £136,000) for the Foundation's Enduring Bursary Fund.

During the year there were no donations from the Governors to RGS and RGS Prep.

19. Control

The 1509 Group, registered charity number 1084866, company number 4104101, is the holding company of the School, and the ultimate parent company of the group. The group accounts are available from 1509 Group registered office, at The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

20. Post Balance Sheet Events

It is intended during 2023-24 that the Foundation will merge with the School and become a cost centre of the School. The Foundation's operations, assets and liabilities are therefore expected to transfer to the School during 2023-24 and the Foundation will in due course be wound up. The Development and Alumni Relations Office, DARO, will continue the work carried out by the Foundation, just as it has done before in the interests of the School to fulfil the School's charitable aims and objectives as set by the Headmaster and approved by the School's Governing Body.

21. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31st July 2022	Unrestricted General £000	Designated £000	Restricted £000	Funds Total £000
Income from Charitable Activities				
School Fees	23,295	0	0	23,295
Other educational income	1,045	0	0	1,045
Other ancillary trading income	214	0	0	214
Incoming Resources from Generated Funds				
Donations and Legacies				
Donations and legacies	0	0	340	340
Investments				
Income from Investments	4	0	0	4
Other Income	273	0	0	273
Total Income	24,831	0	340	25,171
Expenditure on Raising Funds				
Financing costs under advance fee contracts	2	0	0	2
Bank interest	61	0	0	61
Pension Commitment net financial costs	0	0	0	0
	63	0	0	63
Expenditure on Charitable activities				
Schools and grant making	23,729	0	357	24,086
Ancillary Trading	0	0	0	0
Total Expenditure	23,792	0	357	24,149
NET INCOMING/(OUTGOING) RESOURCES BEFORE INVESTMENT GAINS	1,039	0	(17)	1,022
Net gains/(losses) on investments	0	(8)	0	(8)
Pension Cessation Actuarial (Loss)	(1,070)	0	0	(1,070)
NET INCOME/(EXPENDITURE)	(31)	(8)	(17)	(56)
Transfers between funds	462	(462)	0	0
Actuarial gain/(losses) on Defined Benefit Pension Scheme	0		0	0
NET MOVEMENT IN FUNDS FOR THE YEAR	431	(470)	(17)	(56)
Fund balances at 1 August 2021	4,839	34,118	187	39,144
FUND BALANCES at 31 July 2022	5,270	33,648	170	39,088

Royal Grammar School Guildford

England & Wales - Charity number 1177353

Accounts



Royal Grammar School Guildford

Annual Report & Financial Statements

For the Year Ended

31st July 2022

Charity Number 1177353
Company Number 10874615

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Governors

The Governors of the School, who are also directors of the company and trustees of the charity are listed below.

Directors of the Company			**Appointed by**
F,N, E,P	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
F, N,P	Mr P G Peel FCA	Chairman of the Finance and General Purposes Committee and Vice Chairman of Governors	Board – co-opted
N, P	Mr CT Shorter CEng MIStructE FConsE FFB	Resigned July 2022	Board – co-opted
E, N	Mr C D Barnett MA PGCE	Chairman of Education Committee and Vice Chairman of Governors Chairman of Nominations Committee Resigned December 2021	Board – co-opted
P,N, E	Rev R L Cotton MA Dip Th	Chairman of RGSG Prep Committee. Vice Chairman of Governors from December 2021	Bishop of Guildford
F	Mr D J Counsell FCA		Board – co-opted
E	Professor SC Price MSc PhD FBTS ERT FHEA		Board – co-opted
E	Dr L S K Linton MA MB ChB MRCP		Staff
E	Mr NEJ Vineall KC MA		Board – co-opted
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F	Mr J D Fairley BA		Board – co-opted
F	Mrs H Styche-Patel BSc, MBA		Board – co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
F	Mr PW Fell BA FCA		Board – co-opted
E	Mrs F E Carter BA PGCE	Appointed March 2022	RGSG Prep Parents' Association (LPA)
P	Mrs N Nelson-Smith BA		Guildford Borough Council
F	Mrs M-L Logue MA	Resigned LPA March 2022 Board co-opted March 2022	Board – co-opted
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
P	Mrs K Atkinson BDS		Board – co-opted
F	Mr T Lingard BSCI MINSTP		Royal Grammar School Parents' Association
E	Prof H Treharne BSc MSc PhD SFHEA FBCS		University of Surrey
E	Mr M Windsor BA MA		Board – co-opted
F	Ms K Spasic ACMA CGMA	Appointed December 2021	Board – co-opted
	Mr D Booth	Appointed May 2022	Ex Officio
F P E N	Members of the Finance and General Purposes Committee RGSG Prep Committee Members of the Education Committee (formerly the Academic Committee) Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary & Treasurer	Mrs CM Perceval BSc	
	The Head (Lanesborough)	Mr T Freeman-Day	

Registered Office	High Street Guildford Surrey GU1 3BB
Principal Bankers	National Westminster Bank Plc Guildford Commercial Office PO Box 1, 2nd Floor G3 2 Cathedral Hill Guildford Surrey GU1 3ZR
Auditors & Tax Advisors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Solicitors	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR

Royal Grammar School Guildford presents its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31st July 2022 and confirms that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2019.

DIRECTORS' REPORT

THE STATUS OF THE SCHOOL

Royal Grammar School Guildford ('The School', 'RGSG') is a company registered by guarantee incorporated in England and Wales, company number 10874615. It is also a registered charity, registered charity number 1177353.

The company Royal Grammar School Guildford is a subsidiary of 1509 Group, which is the sole shareholder of the School, company number 4104101 and charity number 1084866.

The School is a single entity operating on two school sites: the Royal Grammar School Guilford (RGSG) educates boys aged 11-18 while RGSG Prep's pupils are aged 3-11.

As a result of its special relationship with the Cathedral (being the Choir School for the Cathedral) and with the Bishop of Guildford nominating a Governor, Royal Grammar School Guildford is designated as 'a School with a Religious Character'.

GOVERNANCE AND MANAGEMENT

Governing Body

The School has one Governing Body overseeing both age groups. Details of the members of the Governing Body, together with the School's officers and principal advisors, are given on pages 1-2.

The Governing Body is self-appointing. New Governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The Governors are aware of The Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the School applies the principles of the code within its current Governance arrangements.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential Governors and their induction. New Governors are provided with the opportunity to view the School, relevant background material about the School and the role of a charity trustee and an experienced Governor as a mentor during their first year of appointment. Opportunities are provided to attend School events that may give insight into the working of the School and appropriate training courses are offered to Governors. Particular attention is given to the identification of suitable courses for new Governors. During the year Governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee to oversee curricular and educational matters; the RGSG Prep Committee to oversee all matters pertaining to RGSG Prep; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr C Barnett – to December 2021 Mr M Windsor – from January 2022
RGSG Prep Committee	Rev RL Cotton
Finance and General Purposes Committee	Mr PG Peel
Nominations Committee	Mr C Barnett – to December 2021 Rev RL Cotton – from December 2021

The Chief Operating Officer oversees the general business operations of the School and in particular focuses on long-term building programmes, international developments and wider business opportunities, with the day to day running of the School delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit the best possible staff in all areas and from the widest pool of talent. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group is the holding company which retains control of Royal Grammar School Guildford and all other subsidiaries. 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), which works to promote, provide for and raise funds for the School. The Foundation is a charitable company (company number 4232306 and charity number 1089955) and is also a subsidiary of 1509 Group. Considering the financial and non-financial benefit provided by the Foundation, the School has agreed to provide operational resources for the Foundation free of charge.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

Engagement with Employees and Employee Interests

Taking care of our people

The directors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The School reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount

importance and mechanisms are in place to support staff and colleagues. This ranges from regular catch up sessions with line managers, staff social events and school wide events, to support from the school counsellor, school nurse and head of human resources.

Communication

Regular updates, meetings and briefings are provided to staff on the day to day operations of the organisation as well as sharing high level changes within the organisation as these arise. Financial updates are provided to staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the School or the sector.

Staff observers are invited to attend the full board of directors' meetings, so they are aware of the high level issues being discussed.

Strategy groups meet regularly to determine the future direction of a range of areas within the School and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits

Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development

There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained as coaches and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and via our outreach programme and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety

There is a health and safety policy group which covers the whole organisation, with separate committees for each site. These committees are formed of a range of staff based at each site and focus on the immediate needs of that site. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A full time health and safety manager ensures that adequate time and resource is devoted to this area.

Diversity and Inclusion

The directors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies and practices are non-discriminatory and that all appointments are made solely on the basis of merit. As a result of an independent review of our recruitment process, a full-time recruitment manager has been appointed and other recommendations implemented.

It is part of our ethos that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in any form. We continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party meets regularly to seek to further improve the School's performance in this area on an ongoing basis.

All staff and Governors continue to receive diversity and inclusion training.

Stakeholder Relations

Royal Grammar School Guildford has a wide community of stakeholders including pupils, employees, parents of pupils, directors, suppliers and our local community. As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The directors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. The School is inspected by the Independent Schools Inspectorate and this covers compliance with a range of regulatory matters as well as the educational provision for pupils. The financial operations of the School are independently audited each year and other audits and regulatory inspections happen on a regular basis. There is a wide range of policies for staff which set out what is expected in respect of Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct.

The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The charity is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE VALUES AND AIMS OF THE SCHOOL

The object of the School, as described in its charity commission scheme and the company's objects, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The current School priorities are:

- Collaboration;
- Diversity and Inclusion;
- Student Experience

In pursuit of these aims, RGSG holds and promotes the following values:

- Inclusivity: we remain loyal to our founding principles to educate bright local students, irrespective of background or financial circumstances, and we inherently believe in establishing a culture of diversity and acceptance, and in educating our students in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.
- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where qualities of decency, honesty, courtesy, humility and good humour are celebrated.
- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Courage: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all students, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Collaboration: we work closely with others for mutual enrichment, and encourage a spirit of generosity and service, a sense of perspective, and a firm belief that we can work in partnership with others, locally and internationally, to make a difference and have a positive impact on society.

The Directors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Directors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Directors' objectives for the School are established to deliver a wide-ranging, high quality education to students from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work. This is achieved through the Education Committee and the RGSG Prep Committee alongside a programme of Governor visits.

All pupils are now required to have a specified mobile personal computer to support quality remote and in-class teaching and learning. The School continues to evolve its strategy around use of devices, to seek continuous improvements and achieve the best educational outcomes and to mitigate against future disturbances.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School was pleased to welcome the Independent Schools Inspectorate to Royal Grammar School Guildford – Senior and Prep - in February 2022 and they spoke in glowing terms about all aspects of school life. The School was awarded "Excellent", the highest possible rating, in every category. The report celebrated the quality of our boys' academic and other achievements, as well as their personal development. In particular, the inspectors captured the essence and spirit of the School which makes us such a close-knit and special community where the richness of opportunity, as well as the culture of humility and decency, tolerance and mutual respect are noted as defining qualities.

The report can be accessed in full, from both the School and the ISI website.

After an extended period of disruption due to the pandemic, we enjoyed a return to more normal routines both in terms of teaching and the co-curricular life of the School. At the Senior school, following two years of Centre Assessed Grades and Teacher Assessed Grades, students sat formal public examinations for the first time since 2019. The School achieved another outstanding set of A Level results: the most common grade achieved by RGSG students was the A* with 50.1% of all grades being the top, gold-star standard. 80.9% of all grades – or in total 334 grades – were awarded at A* or A. From a cohort of 129 students, 42 boys achieved 3 or more A*s: an incredible achievement in traditionally robust, rigorous subjects. At GCSE, the most common grade achieved by our students was the gold-standard grade 9; in total 874 grade 9s were achieved, 56% of all grades. In addition, 386 grade 8s were also secured by this impressive cohort: 80% of grades were at grade 9 or 8. 78 students achieved ten or more grade 8 and 9s; 30 boys secured 10 or more grade 9s.

RGSG students continued to secure places on the most competitive courses at the leading universities in the country; 95% of all offers held to UK institutions were to Russell Group Universities or Times Top 20 institutions. Of a talented cohort, 14 students received offers from Cambridge and Oxford Universities; in the last 10 years, RGSG boys have received just under 300 offers from Oxford and Cambridge Universities. Cambridge, Exeter, Durham and Bath have been in the top five every year for the last six years in terms of the number of RGSG boys accepting places; Exeter was the most popular university destination, closely followed by Bristol and Durham. Again this year, RGSG boys were accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering. Sciences as well as business/management/finance/economics and also engineering remained the most popular choices.

RGSG Prep students were awarded 9 scholarships for their chosen senior schools, including Music, Drama, Sport and Academic scholarships. A further 15 scholarships were offered but declined. In total 18 students received scholarship offers. Other academic achievements included bronze, silver or gold awards for 47 pupils in the Junior Maths Challenge and awards to 10 pupils from the Primary Maths Challenge bonus round.

A full and varied co-curricular programme provided the springboard for diverse achievement and experience, as well as the further nurturing of the Learning Habits and School Values which are at the heart of school life. The following provides a very brief and selective overview:

- Charitable initiatives and volunteering opportunities abounded as RGSG boys of all ages and staff gave practical, hands-on help and support to a number of local, environmental and community initiatives.
- £25,000 was raised for the nominated School charities during the year, as the School continued to adhere to its value of service to make a difference to others, with fundraising from small scale to grand scale – cake and doughnut sales, home clothes days and House charity events and Harvest food bank drives.

- The School continued to nurture and establish partnerships with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective. Our Masterclass programme, our Tudor project and our Strings Scheme were just some of the events which stretched and challenged local pupils.
- Academic, adventurous, cultural and sporting trips made a welcome return after the pandemic, as the School continued to look for every opportunity to support learning inside and outside the classroom.
- A significant number of boys achieved national or international sporting recognition from the mainstream sports to more minor sports. The School continued to impress on a challenging circuit in the major sports – rugby, hockey, and cricket – as well as enjoying notable success in fencing, shooting, skiing and sailing, among others.
- From the Arts' perspective, concerts, plays and exhibitions of breath-taking quality were experienced by parents, residents and the wider community: both staged at school as well as at a number of local and national venues. The Choristers continued to perform wonderfully at Evensong and Sunday services alongside additional performances, including with world-renowned conductor John Rutter.
- RGSG boys enjoyed national profile in the Model United Nations, Young Enterprise, Science Olympiads, debating, national essay and engineering competitions. Of particular note were our Young Enterprise Company Showersmart who, after being crowned Best Overall Company in the Young Enterprise National South-East region, went on to participate in the UK finals.

Public benefit

The main beneficiaries of the School's work are boys aged 3 to 18 attending the School. Governors have given due consideration to the Charities Commission guidance on Public Benefit under Charities Act 2011 when considering activities in this area.

Governors wish the School's education to be widely available and so bursary applications are welcomed from families who could not otherwise afford to send their son to the School. Support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees is also considered on top of this.

In the year, 73 boys benefitted from bursary funding of over £1 million.

In addition to bursaries, the School gives opportunities to pupils of local schools to share the School's expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- The School is an associate member of the local Learning Partners (LP) Multi Academy Trust (MAT). The Headmaster of RGSG is an LP Trustee, an RGSG Deputy Head is a member of the Guildford County School Governing Board, the RGSG Bursar a member of Sandfield Primary School Governing Board, the RGSG HR Manager a member of Loseley Fields Primary School Governing Board and an Assistant Head a member of the Kings College Governing Board.

    - Some RGSG staff are deployed to teach in LP schools: Throughout the year RGSG staff provided Physics tuition for Y11 Kings College pupils, Physics tuition for A-Level Fullbrook School pupils and French lessons for Y5&6 Sandfield Primary School pupils. Additionally, during the Summer Term, Chemistry revision classes were provided for Y13 Fullbrook School Pupils.

    - The Enquiring Teacher Partnership, which facilitates teachers engaging in action research in their schools, is a flagship partnership programme and is jointly led and administrated with the LP schools and Epsom College. The RGSG oversaw the publication of the 2021 "Enquiring Schools: A Journal of Evidence-Based Enquiry"; This annual record is a wonderful publication bringing together all of the research from last academic year. Additionally, the RGSG hosted the end-of-

programme celebration dinner where participants presented their findings to an audience of headteachers, governors and trustees.

- As part of our partnership with LP, the School continued to support specifically a local Secondary School (Kings College). An RGSG Assistant Head continued to act as the Governor with specific responsibility for Safeguarding. The RGSG Physics department continued to support the Kings triple science pupils by delivery of Physics lessons and revision classes. Pleasingly we were able to resume the Y9 Problem Solving Maths sessions for Kings pupils delivered by our Sixth Form via the P8 programme.

- The RGSG Head of History and a teacher of English, both visited George Abbot School to deliver a CPD session regarding challenging and stretching more able students. Delegates in attendance included trainee teachers from across Surrey and Hampshire. Discussion included differentiating work towards the higher end of the ability spectrum, making work more engaging through academia and use of the Harkness discussion method at the RGSG and how it can be easily transferred to any classroom.

- Following the success of last year, an RGSG Physics teacher supported Science events at LP Primary schools (Loseley Fields, Boxgrove and Guildford Grove) by delivering practical Science enrichment activities.

- Working with the Headteacher at Sandfield we established a mentoring scheme with 8 of our Y11 pupils supporting 8 Sandfield Y6 pupils. The programme was designed by the Sandfield Headteacher and the RGSG pupils were given training in mentoring as well as safeguarding. The RGSG pupils volunteered during their lunchtimes and independently walked to Sandfield – the scheme featured in the Sandfield newsletter.

- Working with the Northmead Junior School Headteacher, we established a reading mentoring scheme with four of our Y9 pupils travelling to Northmead to support a small group of their target boys in Y5/6 to help with their reading.

- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other educational providers and sharing of provision. In the past year the RGSG Assistant Head Partnerships chaired the Steering Group. RGSG continued to lead an innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). In 2021-22 we ran 12 events at 7 different locations with a total of over 200 students attending from 9 different schools. (www.imag.education).

- Several Royal Grammar School Guildford staff act as governors or trustees at other schools and organisations:
  - Learning Partners MAT (LP) - Board Trustee
  - Merchant Taylors' School - Governor (Indep.)
  - Bourne Education Trust MAT – Board Trustee
  - Aldro School - Governor (Indep.)
  - Guildford County School - Community Governor (LP)
  - Sandfield School, Community - Governor (LP)
  - Hampton Wick School, Kingston - Governor
  - Kings College - Governor, Safeguarding (LP)
  - Loseley Fields - Primary School Governor, Chair of the Resources committee, Safeguarding (LP)
  - Raleigh School, West Horsley - H&S Governor

- Pond Meadow School, Bellfields - Children & Learning committee
- Broadwater School - Finance & Resources Governor
- Heathlands School, Hounslow - Governor
- Twickenham School, Whitton - Governor
- Busbridge Junior School - Parent Governor
- Twickenham Prep School - Governor, Education and Planning committee (Indep.)
- Walsh C of E primary school, Ash - Governor
- Southern Pro Musica - Educational Outreach Officer

- The School also supports significant Outreach programmes for Primary and secondary pupils. For example:
  - The **RGSG Strings Scheme** teaches all year 4 pupils in three Guildford primary schools (St Thomas', Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Over 200 pupils now take part in the scheme each week. Due to covid restrictions, the usual concerts at RGSG were not possible, but school performances were and were also recorded for on-line sharing with parents. This scheme is only possible due to the generous support of our principal donors: The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS), Southern Pro Musica Orchestra and Mila Charity. The 'Strictly Strings Orchestra' hosted at the RGSG allows approximately 30 graduates of the string Schemes to continue to play in an orchestra to complement their individual tuition. This orchestra is generously funded by Southern Pro Musica and The Mila Trust. The orchestra continued with social distancing and performed a concert at the end of the year live for parents.

  - Pleasingly, the **RGSG Primary Masterclasses** were possible again and we hosted c.120 Y6 pupils from over 20 different Primary schools for lessons on four Saturday mornings in September and October. Students picked from a suite of six 'strands': Creative Arts (Drama, Music, Art, Writing); Design Technology; Humanities (History, Politics, Geography, RE); Mathematics; MFL (Arabic, Chinese, Russian, Japanese); and Science (Biology, Chemistry, Physics, Forensics). We receive wonderful feedback from these sessions which are designed to provide inspirational, stretching and enriching lessons to boost confidence and aid transition to secondary school. Comments included: *"Everyone was so warm and welcoming, this is a fantastic opportunity for my son. He got to do so much, making biodegradable plastic and dissecting a heart was definitely a highlight but all the teachers made lessons so much fun."; "Thank you so much to you and your team for sacrificing your Saturday for which, Wilf & Toby were full of praise for your Masterclass they attended this morning. They really enjoyed the entire RGSG experience, and they are both looking forward to next week's sessions."*

  - The **Primary Tudor Experience** was still disrupted by Covid restrictions in the 2021-22 year as some visiting schools were still not running trips. However, we did host 2-3 schools who study the Tudors in Y5. The aim is to build on their knowledge of the Tudor period and develop a greater understanding of life at that time. Pupils learn about the history of the school in Tudor times and enjoy sessions on Tudor art, music and heraldry and finish by making a movie of their day.

- Our Sixth Form pupils are able to volunteer to support and to serve the local community via a number of different avenues: Charity fundraising for local national and international charities. Volunteering for conservation work and visits to local care homes; DoE volunteering; Period 8 activities and General Studies activities. In the latter two categories, our Sixth Form groups: Established and ran the chess club at Sandfield Primary; Delivered a Maths club, a chess club and Hockey club at Holy Trinity Primary School; Delivered Y9 Maths problem solving for Kings pupils; and visited Abbots Hospital residents to record oral histories.

- At secondary school level, pupils from other local schools are invited to attend various events each year; Although the offering was still reduced this year, other schools were invited to attend lectures or events, for example: The RGSG Scholarship Conference, Classics Society lectures and a robotics talk; the Careers Seminars, drama and music performances, author visits etc. Academic support was also given to pupils from other schools (such as Fullbrook School, George Abbot School, Guildford County School) for preparation with Oxbridge and medical school interviews as well as more general university application advice by a range of departments. A representative from George Abbot school was co-ordinating on behalf of the wider academy trust and said *"RGSG was a huge support to some of our Early Entry candidates... Many thanks for your support and working with Guildford state schools."*

- At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Besisahar, Nepal. Unfortunately, no exchanges were possible in the 2021-2022 year but, as soon as travel restrictions were lifted, plans were made for pupil expeditions in the coming years.

- During the 2021-22 year we also established some links with a couple of Refugee charities. We were able to provide facilities to host two new events:

    - On Tuesdays throughout the summer holidays, the Sixth Form Centre and quad hosted the GUkraine organisation for a drop in Ukrainian Hub. Each session saw about 100 people – mainly women and children – for a variety of activities from art/craft to chess to nail/beauty to table tennis and, of course, shared food, drinks and chat. The final Tuesday had a party atmosphere with live music, balloons and cake; The Mayor and Mayoress (Denis and Mary Booth) attended as guests of honour. Debra of GUkraine commented: *"We cannot thank you and RGSG enough for the amazing support you have given to GUkraine and the Ukrainian community in Guildford / surrounding villages. Without you this would not have been possible. The final party was amazing, but so too were each of the Tuesdays in their own way."*

    - We also hosted the 'Big Leaf' charity to run an informal evening of football. Big Leaf work with 16-25 year-old displaced people from any country. Local accountancy firm Aristar Accounting Sponsored the event and their staff and some RGSG pupils participated.

- Other outreach included:

    - **Art:** During the Lent term and the Easter Holiday, the Art department worked with Stamford Green Primary school students to design and paint a mural: "I would like to thank you for the art resources that you donated to Stamford Green Primary school and for sourcing cover for Ruth to attend a school trip with us as part of our exciting mural project for disadvantaged children. The children are very lucky to have Ruth on board and we appreciate your generosity. Art co-ordinator at Stamford Green"
    - **Heritage Open Day:** is hosted annually, when the tudor Old Building and chained library is open to members of the public.
    - **Library:** As part of Guildford Book Festival, RGSG hosted author Chris Wakling to speak to RGSG pupils and also pupils from nearby Sandfield school. Separately, the School librarian visited Guildford Grove school to provide advice on options for developing their library space.

- **Model United Nations:** The first 'in-person' Model United Nations conference since 2019 was hosted at the school in November 2021, with over 150 delegates from 9 schools.
- **Careers –** Over 60 pupils from St John the Baptist; St Peter's; St Catherine's; Heathside; George Abbot; Collingwood; Tormead; Guildford County attended our 6th form Careers in Engineering Seminar.
- **Careers:** On Friday 29 April RGSG opened its doors for the annual Careers Convention and welcomed over 250 people to the event. The School invited seven other local schools (Guildford County, George Abbot, King's College, Christ's College, St Peter's, GHS and Tormead). After missing a year, students were extremely grateful to have the opportunity to discuss career possibilities face-to-face.

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company's employees
3. The need to foster the Company's business relationships with suppliers, beneficiaries and others
4. The impact of the Company's operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company

Beneficiaries

The beneficiaries of the organisation are the pupils and the Directors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings **The values and aims of the School** and **achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.
The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the directors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors' report

Community and Environment

The School is at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events

to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of directors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors' report, each committee has a specific focus, but considers the overall impact of decisions on the wider organisation.

Culture and Values

The aims and values of the school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by Royal Grammar School Guildford is included in the table below.

		kWh	Mileage	KgCO2e	tCO2e
Gas	2021-22	1,854,861	n/a	333,875	334
	2020-21	2,897,813	n/a	530,763	531
	2019-20	1,637,475	n/a	301,082	301
Electricity	2021-22	984,477	n/a	190,378	190
	2020-21	1,004,177	n/a	213,217	213
	2019-20	1,039,759	n/a	242,409	242
Transport	2021-22	73,368	49,240	17,608	18
	2020-21	86,800	56,000	20,559	21
	2019-20	108,173	68,900	26,023	26
Total	2021-22	2,912,715	49,240	541,861	542
	2020-21	3,988,790	56,000	764,540	765
	2019-20	2,785,407	68,900	569,515	570

UK energy use covers all educational and ancillary activities across the School.

Associated Greenhouse gases have been calculated using 2022 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For Royal Grammar School Guildford we have used the average number of pupils over the year as the relevant operational driver. **In 2021/22 1,289 pupils accounted for emissions of on average 542 kgCo2e each (2020/21 1,288 pupils accounted for emissions of on average 765 kgCo2e each).** The intensity metric for 2020/21 appears significantly higher than that reported for 19/20 and 21/22 and this is largely driven by gas consumption. During this year, school buildings remained open through the January to March lockdown for children of essential workers and, from March 21 for all pupils. Classroom windows were kept open, to improve ventilation, for much of this time resulting in significant heat loss and consequently gas consumption. A return to more normal operating conditions was seen in 2021-22.

Continuing our rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- We continued our roll out of energy efficient LED fittings across all sites
- Ongoing replacement of single glazed windows with double glazed units
- Continued replacement of internal and external doors to reduce heat loss
- Boilers replaced with more energy efficient models
- Washroom areas which have been refurbished have had mixer taps with improved flow regulation and effective thermostatic mixing valves installed
- During refurbishment works, use of skips is minimised in favour of appropriate recycling and use of registered waste carriers

Additionally

- A study has been carried out with the University of Surrey to monitor CO2 levels within the buildings
- While planning for future building enhancements and developments, sustainability considerations have been a high priority
- Food waste is collected separately and the volume closely monitored by our catering contractors
- General and recycling waste is carefully monitored with placement and style of receptacles recently reviewed
- Further electric car charging points have been installed

FINANCIAL REVIEW

Results for the year

The operation of the School during the year to 31st July 2022 generated net income of £1m, consistent with net income generated in the prior year (2021: £1m). Offsetting this result is an actuarial loss, now quantified and provided for, of withdrawal from the Surrey County Council Superannuation Fund of £1.1m (2021: unrealised actuarial gain £0.9m), resulting in an overall £56k usage of funds in the year (2021: £1.9m generated). The School's net income and capital inflow totalled £1.4m from £25.2m total income (2021: £2.2m from £23.2m). The School generated a cash surplus which was sufficient to cover planned annual investment in its facilities, servicing of loan financing of major capital investment projects and increase the School's cash balance at year end. This further strengthened the School's ability to ensure that costs can be met as they fall due.

The value of fee remissions awarded varies from year to year, depending on prevailing circumstances and the needs of each cohort. While non means-tested remissions are being managed downwards, over time the value of means-tested remissions awarded is growing, in line with the School's ambition for its education to be as widely accessible as possible.

Total income includes investment income of £4k (2021: £1k) and also £340K (2021: £380k) of donations.

The 2021-22 school year saw a welcome return to uninterrupted in-person, on-site learning. A full programme of sporting activities and clubs could resume and, from the Trinity term onwards, overseas trips could once more be planned. With the return to on-site learning and an increased range of activities, expenditure on resources and running of the school buildings returned to pre-pandemic levels.

With effect from 31st August 2021, the School has elected to withdraw from the Surrey County Council Superannuation Fund and finalise its pension liability, in respect of this scheme, as at that date. A final valuation invoice for £1.7m, which is favourable to previous estimates, has been received from the Fund and is fully provided for in these accounts.

With the ongoing war in Ukraine, we continue to see challenges around energy prices, rising interest rates, inflation and public finances and expect the economic outlook to remain unpredictable and turbulent for the immediate future. Despite this outlook, demand for the School remains high and it is believed likely that pupil numbers will be maintained in the foreseeable future and collection of fee income continues to be positive. The Directors have considered the impact of these factors on the School's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability.

The vast majority of the School's funds are held in the form of the buildings and physical assets of the School. At year end the School reports total funds of £39.1m (2021: £39.1m) which includes £170k of unspent restricted income (2021: £187k). Net current assets – broadly equivalent to liquid reserves- of £3.8m were held at the end of the year (2021: £3.8m)

The School seeks to carry sufficient but not significant levels of free reserves for contingency purposes. Throughout the year the level of liquid reserves was adequate to meet commitments as they fell due, without recourse to additional borrowing. Free reserves as at 31 July 2022 equalled £3m (2020/21 £4.8m).

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. Demand for places at the School remains strong. Nonetheless, these scenarios consider reduced pupil numbers, delayed fee payment and potential bad debts, cost inflation and increased interest rates. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are sufficient to meet the charity's obligations as they fall due.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The School reviews its investment policy annually and adapts it if appropriate. The policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs) which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held as cash on behalf of Restricted funds will be credited with interest at the School's marginal borrowing rate
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the Schools.

In the long term the School's investment objective is to invest in funds to achieve returns in excess of RPI, while remaining weighted towards cash and fixed income. In the short term investment is being made in buildings.

The School's investments relate to restricted and prize funds. The performance of the funds has been in line with expectations. For more detailed information about the School's investments, please refer to note 7.

Fundraising

Fundraising for School funding priorities is exclusively carried out by the Royal Grammar School, Guildford Foundation Limited, which raises funds for bursaries. The costs of the Foundation are met entirely by the School.

The Foundation's fundraising activities are carried out by an in-house staff team. The Foundation adheres to the Code of Fundraising Practice. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that

philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances.

FUTURE PLANS

The School's development plan is agreed by Governors and is subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community;
- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level;
- To continue to enhance our student experience and further develop support for students' and staff welfare;
- To foster outstanding teaching and personal development such that everything we do makes us better at everything we do;
- To continue to work towards widening access to the school for able students with limited means;
- To proactively seek to create a staff and student body which is diverse and inclusive, reflecting the community we teach.

These plans underpin individual detailed development plans for each area, which will enhance the School's ability to provide an exceptional education and student experience.

RISK MANAGEMENT

The Directors have examined the principal areas of the School's operations and considered the major risks faced in each of these areas. The risk assessment is updated at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGSG Education committee and the RGSG Prep committee as appropriate before passing to the F&GP committee and the Board for discussion.

The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the School's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGSG or RGSG Prep could detrimentally affect the School's admissions and performance. The development of members of the senior team and ongoing support of the governors will help reduce the impact of a change of Head.
- Uncertainties for the economy could further affect parents' finances and could lead to increased debts to the School and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- Changes in the political climate could lead to the introduction of legislation that could lead to financial pressure on independent schools. The outcomes of policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.

- Incidence of a pandemic or other events adversely impacting on the School's ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Impact lower as excellent remote teaching and learning capability has been rolled out and enhanced by the School during the periods of lockdown, significantly mitigating the risk of the School being unable to deliver quality education.

The School has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the School's day to day operations. The School regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:

S.K Creedy

5th December 2022

Mrs S K Creedy

Independent Auditor's Report to the Directors of Royal Grammar School Guildford

Opinion

We have audited the financial statements of Royal Grammar School Guildford ('the charitable company') for the year ended 31st July 2022 which comprise the Statement of Financial Activities, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2022 and of the charitable company's income and receipts of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report, which includes the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors' 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 directors' 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, 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 The Education (Independent School Standards) Regulations 2014.

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 and recognition of non-fee income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and General Purposes 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.

Use of our report

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

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date 16 December 2022

Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2022

	Note	Unrestricted Funds	Restricted Funds	2021-2022 Total	2020-2021 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2	23,295	0	23,295	21,780
Other educational income	3 (a)	1,045	0	1,045	587
Other ancillary trading income	3 (b)	214	0	214	248
Donations and Legacies					
Donations and Legacies		0	340	340	380
Investments					
Income from Investments		4	0	4	1
Other income	3 (c)	273	0	273	181
Total income		24,831	340	25,171	23,177
Expenditure on:					
Raising Funds					
Financing costs under Advance Fee contracts		2	0	2	3
Bank interest		61	0	61	44
Pension Commitment net financial Costs		0	0	0	76
Fundraising costs	4 (a)	63	0	63	123
Charitable activities					
Schools and grant making	4 (b)	23,729	357	24,086	22,013
Ancillary Trading	4 (b)	0	0	0	4
Total Expenditure		23,792	357	24,149	22,140
NET INCOMING FUNDS / (EXPENDITURE) FROM OPERATIONS BEFORE INVESTMENT GAINS		1,039	(17)	1,022	1,037
Net (losses) on investments		(8)	0	(8)	(1)
Pension Cessation Actuarial (Loss)	16 (v)	(1,070)	0	(1,070)	0
NET INCOME/(EXPENDITURE)		(39)	(17)	(56)	1,036
Transfers between funds	13 (d)	0	0	0	0
Pension Scheme actuarial (losses)/gains	16 (v)	0	0	0	905
NET MOVEMENT IN FUNDS FOR THE YEAR		(39)	(17)	(56)	1,941
Fund balances brought forward at 1 August 2021		38,957	187	39,144	37,203
FUND BALANCES carried forward at 31 July 2022		38,918	170	39,088	39,144

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 27 to 45 form part of these Financial Statements.

	Note		2022		2021
FIXED ASSETS		£000	£000	£000	£000
Tangible fixed assets	6		38,093		39,106
Investment assets	7		153		160
			38,246		39,266
CURRENT ASSETS					
Stocks	8	66		57	
Debtors	9	1,133		924	
Cash		10,052		8,631	
		11,251		9,612	
CURRENT LIABILITIES					
Creditors payable within one year	10	(5,728)		(5,835)	
Pension Scheme Liabilities	16 (i)	(1,754)		0	
NET CURRENT ASSETS			3,769		3,777
TOTAL ASSETS LESS CURRENT LIABILITIES			42,015		43,043
LONG TERM LIABILITIES					
Creditors payable after one year	11		(2,927)		(3,215)
Pension Scheme Liabilities	16 (i)		0		(684)
TOTAL NET ASSETS			39,088		39,144
Represented by:	13				
			£		£
RESTRICTED FUNDS			170		187
UNRESTRICTED FUNDS					
Designated Funds		33,650		34,118	
General Funds		5,268		4,839	
UNRESTRICTED FUNDS			38,918		38,957
TOTAL FUNDS			39,088		39,144

Approved by the Board of the Royal Grammar School Guildford, on 5th December 2022 and signed on behalf of the Company

S.K. Creedy

Mrs S K Creedy
Board Member

Rev R L Cotton
Board Member

The accounting policies and notes on pages 27 to 45 form part of these Financial Statements.

	Note	2022		2021	
NET CASH INFLOW FROM OPERATIONS		**£000**	**£000**	**£000**	**£000**
Net cash provided by operating activities			2,606		2,815
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for tangible fixed assets	6	(584)		(468)	
Proceeds on sale of tangible fixed assets		7		68	
Additions to investments		0		1	
Investment income and bank interest received		4		1	
Net cash (used in) investing activities			(573)		(398)
Cash flows from financing activities:					
Finance costs paid		(612)		(222)	
Net cash provided by financing activities			(612)		(222)
Change in cash and cash equivalents in the reporting period			1,421		2,195
Cash and cash equivalents at 1st August 2021			8,631		6,436
Cash and cash equivalents at 31st July 2022			10,052		8,631

Net Cash Inflow from Operating Activities	**2022**	**2021**
Net incoming resources	1,022	1,037
Elimination of non-operating cash flows:		
- Investment income	(4)	(1)
- Finance costs	612	222
(Profit) on sale of fixed assets	(7)	(22)
Depreciation	1,597	1,707
(Increase)/Decrease in stocks	(9)	5
(Increase)/decrease in debtors	(209)	(5)
(Decrease)/Increase in creditors (excluding fees in advance scheme and deposit)	(560)	194
Defined benefit pension scheme adjustments	0	(233)
Increase/(Decrease) in fees in advance scheme creditors	63	(149)
Increase in parents' deposits	101	60
Net Cash Inflow from Operating Activities	2,606	2,815

Changes in Cash and Cash equivalents

Analysis of balances at 31 July	Change in Year	2022	2021
Cash	0	4	4
Cash Equivalents (Deposit < 3 months)	1,421	10,048	8,627
Changes in Cash and Cash equivalents from the School's operations	**1,421**	**10,052**	**8,631**

The accounting policies and notes on pages 27 to 45 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

At the time of approval of the Annual Report, turbulence continues to be experienced in the UK economy, with rising interest and inflation rates, and the long term impact on the charity, in common with other businesses, remains unknown. The charity holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at Royal Grammar School Guildford remains strong, with continuing high numbers enrolled for the academic year 2022/23. Collection of fee income continues to be robust. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Directors believe the Schools' financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.
The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities - the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 16.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the Directors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by the School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the group are credited to school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Income from Government Grants

No Government grant income was received in the year. Government grant income received in the prior year – and specifically that received under the Coronavirus Job Retention Scheme – is reported under the heading Other Income and separately identified in the notes to the accounts. Such income has been recognised under the accrual model whereby grant income is recognised in the period in which the expense to which it relates was incurred.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or

apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Investments are shown at their fair values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted or restricted funds as appropriate and are accounted for in the SOFA.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £5,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	-	2% per annum on a straight line basis
Furniture & Fittings	-	15% per annum on a straight line basis
Computer Equipment	-	25% per annum on a straight line basis
Photocopiers	-	20% per annum on a straight line basis
Motor Vehicles	-	20% per annum on a straight line basis
Playing Field Equipment	-	12.5% per annum on a straight line basis
Leasehold Property	-	over the length of lease
Leasehold Improvements	-	over the length of lease
Major Refurbishment	-	4% per annum on a straight line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.
The School also contributed to the Surrey County Council Superannuation Fund for 1 month of the year. This is a defined benefit scheme for support staff, and is closed to new entrants from the School. With effect from 31st August 2021, as a consequence of dwindling employee membership, the School withdrew from this scheme.

The School has fully adopted FRS 102 and, in accordance with this the following elements are charged to the SOFA:

i. The service costs of pension provision relating to the year, together with the cost of any benefits relating to past service.

ii. The net finance cost represented by a charge equal to the increase in the present value of the Scheme liabilities and a credit equivalent to the long term expected return on assets.

iii. The actuarial gain or loss on the Scheme assets and liabilities.

The difference between the market value of assets of the Scheme and the present value of accrued pension liabilities is shown as a liability on the Balance Sheet.

Investments in funds are valued at bid price quoted by the investment manager at the Balance Sheet dates.

The closing liability of the School in respect of the Surrey County Council Superannuation Fund is included in creditors at year end.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Scheme.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31st July 2022. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. Under FRS 102 all deposits are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity The School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2022	2021
	£000	£000
(a) The school's fee income receivable comprised:		
Gross fees	24,629	23,211
Less: Total bursaries, scholarships and discounts	(1,674)	(1,798)
	22,955	21,413
Add back: Bursaries paid for by Restricted/Designated Funds	340	367
	23,295	21,780

	Restricted Funds	Unrestricted Funds	2022	2021
	£000	£000	£000	£000
(b) Grants and awards paid for by Restricted/Designated Funds comprised				
Bursaries for pupils	340	0	340	367

Bursaries were awarded from Restricted/Unrestricted Funds to 73 individuals (2021: 77).

3. CHARITABLE INCOME - OTHER

(a) Other educational income	2022	2021
	£000	£000
Registration fees	67	55
Sundry parental receipts	912	497
Sub-lettings	66	35
	1,045	587

(b) Other ancillary trading income	2022	2021
	£000	£000
Insurance commissions	0	0
Income from recharges to International Activities	214	248
Total for School	214	248

	Restricted Funds	Unrestricted Funds	2022	2021
(c) Other incoming resources	£000	£000	£000	£000
Gains on sale of tangible fixed assets	0	7	7	22
Government Grant - Job Retention Scheme	0	0	0	131
Other	0	266	266	28
	0	273	273	181

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

(a) Cost of Raising Funds	Staff costs £000	Other £000	Depreciation £000	2022 Total £000	2021 Total £000
Finance costs	0	63	0	63	123
(b) Charitable activities					
Schools and grant making					
Teaching	12,792	1,870	183	14,845	13,506
Welfare	78	1,182	0	1,260	990
Premises	486	2,438	1,055	3,979	3,695
Support costs of schooling	2,241	1,062	359	3,662	3,455
Other ancillary costs	0	0	0	0	0
Donations, Grants, awards and prizes	0	340	0	340	367
School's operating costs	15,597	6,892	1,597	24,086	22,013
Ancillary trading costs	0	0	0	0	4
Total Charitable Expenditure	15,597	6,892	1,597	24,086	22,017
Total Resources Expended	15,597	6,955	1,597	24,149	22,140

(c) Governance costs included in support costs	2022 £000	2021 £000
Auditors' remuneration *		
Current year charge	44	38
Prior year under-provision	0	5
Other services	3	1
Other direct costs	0	0
Trustees' costs **	6	0
Governance costs	53	44

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to the cost of Governor meetings £5,185, subscriptions £176 and expenses £624. There are 21 Governors who are directors of RGS and Lanesborough. There was no Trustee remuneration during the year.

5. EMPLOYEES

	Teaching £000	Other £000	2022 £000	2021 £000
Wages and salaries	9,347	2,221	11,568	10,685
Social security costs	1,078	230	1,308	1,220
Pension contributions	1,988	211	2,199	2,237
Other staff costs	379	143	522	482
	12,792	2,805	15,597	14,624

Average number of employees during the year	2022		2021	
	Full time	Part time	Full time	Part time
Teaching	132	41	123	48
Non Teaching	69	48	65	47
	201	89	188	95

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:	2022	2021
£60,001 - £70,000	28	25
£70,001 - £80,000	11	6
£80,001 - £90,000	2	3
£90,001 - £100,000	2	0
£100,001 - £110,000	1	1
£150,001 - £160,000	1	1
£220,001 - £230,000	0	1
£250,001 - £260,000	1	0
	46	37

A number of staff are not members of any pension scheme and the employer pension contribution is paid to them as part of their overall package and is included in the pay bands above.

Pension contributions of £677k (2021 - £572k) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £605k (2021 - £534k) were made into a defined benefit pension scheme.

The aggregate employee-benefits of key management personnel (the Senior Management Teams of both schools) including employers' pension contributions and National Insurance total £1,977k (2021 - £2,126k).

During the year there were three redundancy or termination payments totalling £13k (2021: £50k).

No remuneration was paid to Governors during 2022; expenses paid to Governors totalled £0.5k (2021: £0).

6. Tangible fixed assets

Cost and depreciation

	Computer Equipment	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Property	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**
At beginning of year	1,250	49,546	2,129	4,059	56,984
Additions	47	66	0	471	584
Disposals	0	0	0	(300)	(300)
At end of year	1,297	49,612	2,129	4,230	57,268
Depreciation					
At beginning of year	964	13,010	1,135	2,769	17,878
Charge for the year	183	1,036	19	359	1,597
Eliminated on Disposal	0	0	0	(300)	(300)
At end of year	1,147	14,046	1,154	2,828	19,175
Net Book Value					
At end of year	150	35,566	975	1,402	38,093
At beginning of year	286	36,536	994	1,290	39,106

7. Investment assets

	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	54	0	54
Disposals	0	0	0
Unrealised loss	(8)	0	(8)
At end of year - (market value)	46	0	46
Cash at investment managers at beginning of year	0	106	106
Movement in year	0	1	1
At end of year - (market value)	0	107	107
At end of year - (market value)	46	107	153
At beginning of year - (market value)	54	106	160

Investments are held in Common Investment Funds (70%) and in cash.

8. Stocks

	2022 £000	2021 £000
Catering/cleaning stocks	23	14
School items for resale	43	43
Total stock	66	57

9. Debtors

	2022 £000	2021 £000
Fee debtors	155	189
Less Provision for bad debts	(58)	(73)
Amounts due from other Group companies	509	325
Other debtors and prepayments	527	483
Total debtors	1,133	924

10. Creditors: due within one year

	2022 £000	2021 £000
Bank loan (see below)	1,757	1,982
Obligations under Finance Leases	4	8
Trade and other creditors	1,064	949
Other taxes and social security	370	320
Amount due to Foundation	132	91
Accruals	187	250
Acceptance deposits	1,933	1,832
Fees received in advance	141	283
Advanced fees (see note 12)	140	120
Total creditors	5,728	5,835

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31st July 2022 have been included within current liabilities. The prior year acceptance deposits balance has been similarly

11. Creditors: due after more than one year

	2022 £000	2021 £000
Bank loan (see below)	2,808	3,134
Obligations under Finance Leases	0	5
Advanced fees (see note 12)	119	76
	2,927	3,215

The bank loans, totalling £4.56m (2021: £5.12m) are secured by charges on the freehold land and buildings of the school. There were two loans in existence at year end:

The older loan of £1.43m (2021: £1.65m). In August 2018 this loan was reclassified as an overdraft, and included in its entirety under Creditors: due within one year.

An additional loan dated 23rd August 2017 had a balance at the end of the year of £3.46m. The loan is split between £0.32m as a Creditor: due within one year and the balance due after more than one year. This loan was arranged to facilitate building work, with a total approved loan value of £6m. Repayments started in April 2019 and a lump sum repayment of £2m was made during 2019/20. The final repayment date is September 2024.

The bank loans are repayable:	2022 £000	2021 £000
After 5 years	0	0
Within 2 to 5	2,479	2,799
Within 1 to 2	329	335
After more than one year (Note 11)	2,808	3,134
Within one year (Note 10)	1,757	1,982
	4,565	5,116

The obligations under finance leases relate to photocopiers purchased for both RGS and Lanesborough.

The finance leases are payable:	2022 £000	2021 £000
After 5 years	0	0
Within 1 to 5	0	5
After more than one year (see above)	0	5
Within one year (see note 10)	4	8
	4	13

12. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2022 £000	2021 £000
After 5 years	0	0
Within 2 to 5 years	41	21
Within 1 to 2 years	78	55
After more than one year (see note 11)	119	76
Within one year (see note 10)	140	120
	259	196

The balance represents the accrued liability under the contracts. The movements during the year were:

	2022 £000	2021 £000
Balance at beginning of year	196	345
New contracts	201	39
Amounts accrued to contracts	2	2
	399	386
Amounts utilised:		
In payment of fees	(140)	(190)
Capital repayments	0	0
	(140)	(190)
Balance at end of year	259	196

13. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:

Restricted Funds within the School are mainly made up of the following:

- The Gieve Fund, which is the residue of a bequest held for the general benefit of choristers at Lanesborough School.
- The Bursary Fund which receives restricted bursary donations. All restricted bursary receipts during the year are expended on current year bursaries.
- Restricted Minor Ad Hoc funds include the OGA Magazine Fund, which is used for the production of the Old Guildfordian magazine, which is now under the auspices of the Development and Alumni Relations Office.

Major Unrestricted Funds:

Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less loans. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the year.

(a) The consolidated net assets at 31st July 2022 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	106	0	0	106
Bursaries		0	0	1	0	1
Ad hoc Minor Funds		0	0	63	0	63
Total Restricted Funds		0	106	64	0	170
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	38,093	0	(1,757)	(2,808)	33,528
Prize		0	47	10	0	57
Ad hoc Minor Funds		0	0	65	0	65
Total Designated Funds		38,093	47	(1,681)	(2,808)	33,650
School General/Capital Development		0	0	7,141	(119)	7,022
Pension Fund Liability		0	0	(1,754)	0	(1,754)
Total Unrestricted Funds		38,093	47	3,706	(2,927)	38,918
Total Funds		38,093	153	3,770	(2,927)	39,088

[1] The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	31 July 2021 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2022 £000
Bursary fund	1	0	0	340	(340)	1
Gieve fund	106	0	0	0	0	106
Ad hoc funds	80	0	0	0	(17)	63
Total Restricted funds	187	0	0	340	(357)	170

(c) Unrestricted funds: movements in the year

	31 July 2021 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2022 £000
Designated funds						
Tangible Net Fixed Asset	33,990	0	0	(462)	0	33,528
Prize	63	0	(8)	2	0	57
Ad hoc funds	65	0	0	0	0	65
Total Designated funds	34,118	0	(8)	(460)	(0)	33,650
Not designated						
School General/ Capital Development fund	5,523	4	0	1,495	0	7,022
Pension Fund Liability	(684)	0	0	(1,070)	0	(1,754)
Total Unrestricted Funds	38,957	4	(8)	(35)	(0)	38,918

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
Transfer of general reserves from Designated Tangible Net Asset Fund	462	(462)	0
	462	(462)	0

Comparative Allocation of charity net assets

(a) The consolidated net assets at 31st July 2021 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	106	0	0	106
Bursaries		0	0	1	0	1
Ad hoc Minor Funds		0	0	80	0	80
Total Restricted Funds		0	106	81	0	187
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	39,106	0	(1,982)	(3,134)	33,990
Prize		0	54	9	0	63
Ad hoc Minor Funds		0	0	65	0	65
Total Designated Funds		39,106	54	(1,907)	(3,134)	34,118
School General/Capital Development		0	0	5,604	(81)	5,523
Pension Fund Liability		0	0	0	(684)	(684)
Total Unrestricted Funds		39,106	54	3,697	(3,899)	38,957
Total Funds		39,106	160	3,778	(3,899)	39,144

[1] The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	31 July 2020 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2021 £000
Bursary fund	1	0	0	367	(367)	1
Gieve fund	106	0	0	0	0	106
Ad hoc funds	85	0	0	20	(25)	80
Total Restricted funds	192	0	0	387	(392)	187

(c) Unrestricted funds: movements in the year

	31 July 2020 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2021 £000
Designated funds						
Tangible Net Fixed Asset	35,101	0	0	(1,111)	0	33,990
Prize	60	0	3	0	0	63
Ad hoc funds	63	0	0	0	2	65
Total Designated funds	35,224	0	3	(1,111)	2	34,118
Not designated						
School General/Capital Development Fund	3,609	1	(1)	1,902	12	5,523
Pension Fund Liability	(1,822)	0	0	1,138	0	(684)
Total Unrestricted Funds	37,011	1	2	1,929	14	38,957

14. Operating Leases

As at 31st July 2022, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	**2022 £000**	**2021 £000**
Under 1 year	124	124
More than 1 year and less than 5 years	176	176
Greater than 5 years	0	0
	300	300

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2022 were £124,200 (2021 - £134,123).

15. Capital Commitments

At 31st July 2022 there were no capital works authorised and contracted for but not provided for in these Accounts (2021 - £0).

16. Pension Obligations

The School operates the following pension schemes:

a. The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,886,950 (2020/21 - £1,801,367) and at the year end £0 (2020/21 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

b. A defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme, which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 until 31st August 2021. The charge to the cessation date of 31st August 2021 was £4,096 plus a compensation payment in respect of one employee to the value of £10,592 (2019/20 - £58,938). At the year end £0 (2019/20 - £0) was accrued in respect of contributions to this scheme.

The School withdrew from the Surrey County Council Superannuation Scheme during the year, with a cessation date of 31st August 2021. This crystallises the School's portion of the pension scheme deficit, and the value of the cessation deficit as at 31st August 2021 is £1,754,000. This liability appears in creditors at 31st July 2022.

The net pension liability on the Balance Sheet at 31st July 2021 of £684,000 was calculated on an FRS 102 accounting basis at that date. The net pension liability on the Balance Sheet at 31st July 2022 of £1,754,000 is the liability at the point of cessation on 31st August 2021, which is calculated as an update to the most recent full revaluation of the scheme at 31st March 2019. A reconciliation from the full revaluation at 31st March 2019 to the cessation valuation in these accounts is provided in Note (iv) below.

		Cessation Valuation 31/8/2021 £000	Valuation 31/3/2019 £000
i)	**Funding Position at 31st August 2021 (cessation date):**		
	Liabilities		
	Active	0	2,066
	Deferred	2,078	517
	Pensioner	6,272	2,589
		8,350	5,172
	Assets	6,596	5,916
	Surplus/(Deficit)	(1,754)	744

ii)	**Actuarial Assumptions - Financial Assumption:**		
		£000	**£000**
	Discount rate/anticipated investment returns		
	Pre-retirement	1.0%	4.2%
	Post- retirement	1.0%	4.2%
	Salary increases	3.3%	3.2%
	Benefit increases	2.4%	2.3%

iii)	**Actuarial Assumptions - Longevity Assumption:**		
	Life expectancy from age 65 years	**£000**	**£000**
	Current pensioners		
	Male	22.3	22.1
	Female	24.4	24.3
	Future pensioners		
	Male	23.4	22.9
	Female	26.1	25.7

iv)	**Changes in the fair value of the scheme assets are as follows:**		
		£000	**£000**
	Surplus/(deficit) at 31st March 2019		744
	Interest on surplus/(deficit)	78	
	Investment outperformance	318	
	Contributions greater than cost of accrual	394	
	Change in market conditions	(63)	
	Move to cessation funding assumptions	(3,077)	
	Membership experience	(148)	
			(2,498)
	Surplus/(deficit) at 31st August 2022		(1,754)

v)	**The amounts included in the Statement of Financial Activities are as follows:**	**2022 £000**	**2021 £000**
	Total Amount Charged to the Statement of Financial Activities	0	76
	Net actuarial gains/(losses) recognised in the year	(1,070)	905

17. Analysis of Net Funds/(Debt)

	As at 31 July 2021 £000	Cash Flow £000	As at 31 July 2022 £000
Net cash balances	8,631	1,421	10,052
Creditors: due within one year			
Finance leases	(8)	4	(4)
Loans	(1,982)	225	(1,757)
Advance Fee agreements	(120)	(20)	(140)
Creditors: due after more than one year			
Finance leases	(5)	5	0
Loans	(3,134)	326	(2,808)
Advance Fee agreements	(76)	(43)	(119)
	3,306	1,918	5,224

18. Related party transactions

1509 Group, registered charity number 1084866, company number 4104101, is the parent company of the School, and all other companies in the group. The School is the sole voting member of the Foundation (The Royal Grammar School, Guildford Foundation), registered charity number 1089955, company number 4232306. The RGS Guildford International Limited, company number 09633181, RGS Guildford International (Dubai) Limited, company number 11422203, RGS Guildford International (China) Limited, company number 12104738, RGS Guildford Enterprises Limited, company number 12248925 and RGS Guildford International (Oman) Limited, company number 13833679 are all subsidiaries of the 1509 Group.

During the year the Royal Grammar School Guildford charged the RGS Guildford International Ltd £89,117 (2021 - £82,616) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £154,497 (2021 - £82,616).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Dubai) Ltd £51,995 (2021 - £82,616) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £1,583 (2021 - £126,361).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (China) Ltd £72,474 (2021 - £82,616) relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £754 (2021 - £86,451).

The Foundation transferred £340,161 of donations to the school for the year (2021: £339,500). The Foundation's costs of £272,518 (2021: £274,131), for both fundraising and alumni work were covered by the School during the year. At the end of the year the Foundation owed the School £349,414 (2021: £21,904). The School made a transfer to the Foundation of £136,000 in 2022 (2020: £91,000) for the Foundation's Enduring Bursary Fund.

During the year there were no donations from the Governors to RGS and LPS.

19. Control

The 1509 Group, registered charity number 1084866, company number 4104101, is the holding company of the School, and the ultimate parent company of the group. The group accounts are available from 1509 Group registered office, at The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

20. Post Balance Sheet Events

On 3rd November 2022 the School repaid the Natwest Bank Loan in full, at the balance outstanding at that date of £3,048,410. The overdraft remains in place.

21. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31st July 2021	Unrestricted General £000	Designated £000	Restricted £000	Funds Total £000
Income from Charitable Activities				
School Fees	21,780	0	0	21,780
Other educational income	587	0	0	587
Other ancillary trading income	248	0	0	248
Incoming Resources from Generated Funds				
Donations and Legacies				
Donations and legacies	10	2	368	380
Investments				
Income from investments	1	0	0	1
Other Income	181	0	0	181
Total Income	22,807	2	368	23,177
Expenditure on Raising Funds				
Financing costs under advance fee contracts	3	0	0	3
Bank interest	44	0	0	44
Pension Commitment net financial costs	76	0	0	76
	123	0	0	123
Expenditure on Charitable activities				
Schools and grant making	21,620	0	393	22,013
Ancillary Trading	4	0	0	4
Total Expenditure	21,747	0	393	22,140
NET INCOMING/(OUTGOING) RESOURCES BEFORE INVESTMENT GAINS	1,060	2	(25)	1,037
Net gains/(losses) on investments	(4)	3	0	(1)
NET INCOME/(EXPENDITURE)	1,056	5	(25)	1,036
Transfers between funds	1,091	(1,111)	20	0
Actuarial gain/(losses) on Defined Benefit Pension Scheme	905		0	905
NET MOVEMENT IN FUNDS FOR THE YEAR	3,052	(1,106)	(5)	1,941
Fund balances at 1 August 2020	1,787	35,224	192	37,203
FUND BALANCES at 31 July 2021	4,839	34,118	187	39,144

Royal Grammar School Guildford

England & Wales - Charity number 1177353

Accounts



RGS and Lanesborough

Annual Report & Financial Statements

For the Year Ended

31 July 2021

Charity Number 1177353
Company Number 10874615

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Governors

The Governors of the School, who are also directors of the company and trustees of the charity are listed below.

Directors of the Company			**Appointed by**
F,N, E,L	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
F, N,L	Mr P G Peel FCA	Chairman of the Finance and General Purposes Committee and Vice Chairman of Governors	Board – co-opted
N, L	Mr CT Shorter CEng MIStructE FConsE FFB		Board – co-opted
E, N	Mr C D Barnett MA PGCE	Chairman of Education Committee and Vice Chairman of Governors Chairman of Nominations Committee, from January 2020	Board – co-opted
L,N, E	Rev R L Cotton MA Dip Th	Chairman of Lanesborough Committee	Bishop of Guildford
F	Mr D J Counsell FCA		Board – co-opted
E	Professor SC Price MSc PhD FBTS ERT FHEA	Resigned University of Surrey Dec 2020 Co-opted Dec 2020	Board – co-opted
E	Dr L S K Linton MA MB ChB MRCP		Staff: RGS and LPS
E	Mr NEJ Vineall QC MA		Board – co-opted
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F	Mr J D Fairley BA		Board – co-opted
F	Mrs H Styche-Patel BSc, MBA		Board – co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
F	Mr PW Fell BA FCA		Board – co-opted
F,L	Mrs JA Stott BSc (Hons)	Resigned Dec 2020	Royal Grammar School Parents' Association
L	Ms N Nelson-Smith		Guildford Borough Council
F	Mrs M-L Logue		Lanesborough Parents' Association
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
L	Mrs K Atkinson		Board – co-opted
F	Mr T Lingard	Appointed Dec 2020	Royal Grammar School Parents' Association
E	Prof H Treharne	Appointed Dec 2020	University of Surrey
E	Mr M Windsor	Appointed July 2021	Board – co-opted
F L E N	Members of the Finance and General Purposes Committee Lanesborough Committee Members of the Education Committee (formerly the Academic Committee) Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary & Treasurer	Mrs CM Perceval BSc	
	The Head (Lanesborough)	Mr T Freeman-Day	

Registered Office Guildford	High Street, Surrey GU1 3BB
Principal Bankers	National Westminster Bank Plc Guildford Commercial Office PO Box 1, 2nd Floor G3 2 Cathedral Hill Guildford Surrey GU1 3ZR
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Principal Solicitors	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR

RGS and Lanesborough presents its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31 July 2021 and confirms that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2015.

DIRECTORS' REPORT

THE STATUS OF THE SCHOOL

RGS and Lanesborough ('The School') is a company registered by guarantee incorporated in England and Wales, company number 10874615. It is also a registered charity, registered charity number 1177353.

The company RGS and Lanesborough is a subsidiary of 1509 Group, which is the sole shareholder of the School, company number 4104101 and charity number 1084866.

The School is a single entity which has operated as two individually registered schools, the Royal Grammar School, Guildford ('the RGS'), and Lanesborough Preparatory School ('Lanesborough'). As of 1 September 2021 the schools merged under one Department for Education (DfE) registration and Lanesborough was renamed RGS Prep. Prior to the merger, there was one Governing Body for the two schools. The same Governing Body now looks after the merged School.

As a result of its special relationship with the Cathedral (Lanesborough is the Choir School) and with the Bishop of Guildford nominating a Governor, RGS and Lanesborough are designated as 'Schools with a Religious Character'.

GOVERNANCE AND MANAGEMENT

Governing Body

During the year to 31 July 2021, there was one Governing Body for the two schools. Details of the members of the Governing Body, together with the School's officers and principal advisers, are given on pages 1-2.

The Governing Body is self-appointing. New Governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The Governors are aware of The Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the School applies the principles of the code within its current Governance arrangements. The code was updated in 2020 and Governance arrangements are being reviewed in light of this update.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential Governors and their induction. New Governors are provided with the opportunity to view the Schools, provided with relevant background material about the School and the role of a charity trustee and provided with an experienced Governor as a mentor during first year of appointment. Opportunities are provided to attend School events that may give insight into the working of the Schools and appropriate training courses are offered to Governors. Particular attention is given to the identification of suitable courses for new Governors. During the year Governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee to oversee curricular and educational matters; the Lanesborough Committee to oversee all matters pertaining to Lanesborough; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr C Barnett
Lanesborough Committee	Rev RL Cotton
Finance and General Purposes Committee	Mr PG Peel
Nominations Committee	Mr C Barnett

The Chief Operating Officer oversees the general business operations of the Schools and in particular focuses on the long-term building programme, international developments and wider business opportunities, with the day to day running of the Schools delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit the best possible staff in all areas. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group is the holding company which retains control of RGS and Lanesborough and all other subsidiaries. The 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), which works to promote, provide for and raise funds for the School. The Foundation is a charitable company (company number 4232306 and charity number 1089955) and is also a subsidiary of 1509 Group. Considering the financial and non-financial benefit provided by the Foundation, the School has agreed to provide operational resources for the Foundation free of charge.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

Engagement with Employees and Employee Interests

<u>Taking care of our people</u>
The directors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The School reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount importance and mechanisms are in place to support staff and colleagues. This ranges from regular catch up sessions with line managers, staff social events and school wide events, to support from the school counsellor, school nurse and HR manager.

<u>Communication</u>
Regular updates, meetings and briefings are provided to staff on the day to day operations of the organisations as well as sharing high level changes within the organisation as these arise. Financial updates are provided to

staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the Schools or the sector.
Staff observers are invited to attend the full board of directors' meetings, so they are aware of the high level issues being discussed.
Strategy groups meet regularly to determine the future direction of a range of areas within the School and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits
Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development
There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained as coaches and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and via our outreach programme and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety
There is a health and safety policy group which covers the whole organisation, with a committee for each school. These committees are formed of a range of staff within each school and focus on the immediate needs they have. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A new, full time health and safety manager has been appointed to ensure that adequate time and resource is devoted to this area. A huge amount of work continues to be undertaken to ensure the safety of staff and pupils in light of the ongoing pandemic. The risk assessments and procedures were shared with all staff and their input gathered for any additional measures to be put in place.

Diversity and Inclusion
The directors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies are non-discriminatory that all appointments are made solely on the basis of merit. An independent review of our recruitment process was commissioned and conducted during the year and its recommendations are being implemented.

It is part of our ethos that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in any form. We continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party meets regularly to seek to further improve the School's performance in this area on an ongoing basis.

All staff and Governors have now received Diversity and Inclusion training.

Stakeholder Relations

As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The directors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. Both schools are inspected by the Independent Schools Inspectorate and this covers compliance of a range of regulatory matters as well as the educational provision for pupils. The financial operations of the school are independently audited each year and other audits and regulatory inspections happen on a regular basis. There are a wide range of policies for staff

which set out what is expected from Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct.
The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The charity is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE VALUES AND AIMS OF THE SCHOOL

The object of the School, as described in its charity commission scheme and the company's objects, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The aims of the RGS are:

- Academic opportunity
- Sustainability
- Wellbeing
- Widening Access

In pursuit of these aims, the RGS holds and promotes the following values:

- Inclusivity: we remain loyal to our founding principles to educate bright local students, irrespective of background or financial circumstances and we inherently believe in establishing a culture of diversity and acceptance in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.

- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where qualities of decency, honesty, courtesy, humility and good humour are celebrated.
- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Courage: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all students, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Collaboration: we work closely with others for mutual enrichment, and encourage a spirit of generosity and service, a sense of perspective, and a firm belief that we can work in partnership with others, locally and internationally, to make a difference and have a positive impact on society.

Lanesborough shares the values of the RGS, with a vision that the school strives to be:

- a school where boys are happy within a supportive and caring community.
- a school where we aspire to fulfil the potential of every boy's learning.
- a school where we aspire to fulfil the potential of every boy in art, drama, music, sport and extra-curricular activities.
- a school where boys are able to express their opinions with confidence and good manners.
- a school where success is valued and rewarded.
- a school where we are partners with parents in the education of the boys.

The vision and values are embodied in the Lanesborough learning habits of:

- Accuracy/Engagement – I review my learning experiences in order to progress.
- Risk Taking – I am willing to take on challenges with courage and responsibility.
- Persistence/Perseverance – I keep trying when faced with challenges.
- Listening/Engagement – I listen actively and respond positively.
- Independence – I use my initiative to develop my own learning.

The Directors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Directors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Directors' objectives for the School are established to deliver a wide-ranging, high quality education to students from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work at the RGS and Lanesborough. This is achieved through the Education Committee and Lanesborough Committee plus a programme of Governor visits.

All pupils are now required to have a specified mobile personal computer to support quality remote and in-class teaching and learning. The School continues to evolve its strategy around use of devices, to seek continuous improvements and achieve the best educational outcomes and to mitigate against future disturbances.

There is a strong emphasis on providing a stable school environment following the recent disruptions. High quality of learning was maintained during the lockdown periods and focus is on supporting students and staff in regrouping, consolidating and returning to on-site learning and a full range of activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The Royal Grammar School

The last inspection by the Independent Schools Inspectorate, which took place in 2017, was a thorough review of all aspects of life at the RGS and was overwhelmingly positive. The report, which can be accessed in full, from the ISI website, assessed the quality of achievement and learning as exceptional.

In addition, the RGS underwent a scheduled ISI Regulatory Compliance Inspection in October 2017 and was deemed to be fully compliant in all regulatory areas.

With continuing disruption to the boys' education due to the pandemic, a return to remote teaching took place in the Lent Term as well as for individual pupils during periods of self-isolation. The School was delighted to maintain relatively normal, face-to-face teaching for the majority of the academic year, however. The blend of physical and remote learning ensured that the boys' academic progress was in no way adversely hindered.

With formal public examinations cancelled at both A Level and GCSE, teacher assessed grades (TAGs) were used to determine the boys' grades. Regular, formal assessment ensured that the students were given opportunities to show their true ability, despite the uncertainty and disruption The professionalism and integrity of the teaching staff allowed us to make robust, realistic predictions which allowed our students to secure places on some of the most competitive courses at the leading universities in the country. At A Level, the most common grade achieved by our students was the A*, followed closely by the A grade. At GCSE, the most common grade achieved by our students was the gold-standard grade 9. These results ensured our GCSE students achieved grades which allowed them to pursue their chosen subjects at A Level and to continue to harbour the most ambitious of aspirations.

RGS students continued to secure places on the most competitive courses at the leading universities in the country, predominantly Russell Group Universities. Of a talented cohort, 17 students received offers from Cambridge and Oxford Universities; in the last 10 years, RGS boys have received well over 300 offers from Oxford and Cambridge Universities. Cambridge, Exeter, Durham and Bath have been in the top five every year for the last six years in terms of the number of RGS boys accepting places; for the first time this year Bristol was the most popular university destination. Again this year, RGS boys were accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering. This year Economics was the most popular choice of course.

A full and varied extra-curricular programme provided the springboard for diverse achievement and experience. With restrictions in place due to the pandemic the opportunities were more limited; however, imaginative and creative solutions allowed a diverse programme to still continue, albeit with many activities having to adapt accordingly or take place online through Microsoft Teams.

The following provides a very brief and selective overview:

- Remote and physical volunteering opportunities continued as RGS boys of all ages and staff provided entertainment and practical help and support in a number of local, environmental and community initiatives.
- Despite the challenging context to fundraising, over £11,000 was raised for the nominated school charities during the year, as the School continued to adhere to its value of service to make a difference to others, with fundraising from the small scale to the grand scale – including cake and doughnut sales, mufti and House charity events.
- The School continued to nurture and establish partnerships with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective.

- Academic, adventurous, cultural and sporting trips were restricted due to the pandemic; however, local trips continued to take place, wherever possible, to enrich the learning experience.
- As in previous years, pupils continued to achieve national or international sporting recognition from the mainstream sports to more minor sports. The Sports department worked tirelessly throughout the year to implement a safe environment for competitive fixtures, where possible, and the opportunity for inter-school cricket matches was available in both the Michaelmas and Trinity terms. The season was capped off in style as the school's 1st XI were crowned champions of the annual RGS Cricket Festival, this year held in Newcastle.
- The philosophy of Sport for All continued to be in evidence throughout the year and participation rates remain exceptional. Even during periods of remote learning, a structured programme of strength and conditioning, aerobic and physical fitness opportunities was maintained. This included weekly sporting challenges, remote Games and PE sessions, and remote fixtures against other schools which involved students of all year groups having timed athletic challenges where the cumulative scores were then compared with other schools. Despite the restrictions placed on in-person inter-school fixtures in many sports, the school ran several internal competitions and training sessions on a Saturday, throughout the Michaelmas term.
- While lockdowns posed a challenge to the Arts in this academic year, a thoroughly 21st century approach ensured that online performances – including the annual carol service and market day concerts – continued to be enjoyed by parents, residents and the wider community. The Trinity term allowed a welcome return to physical performances including several drama productions and the climax to the musical calendar, as the RGS Musician of the Year took place at Holy Trinity Church.
- RGS boys continued to enjoy much success in the Model United Nations, Young Enterprise, Science Olympiads, debating, national essay and engineering competitions.

Lanesborough Preparatory School

Lanesborough underwent its most recent comprehensive, cyclical review by the Independent Schools Inspectorate in late 2019 and received an emphatically positive report. The report, in full, can be accessed on the ISI website. The quality of achievement and learning, along with all other areas, was deemed exceptional - the highest possible grade.

In addition, Lanesborough underwent a scheduled ISI Regulatory Compliance Inspection in November 2019 and was deemed to be fully compliant in all regulatory areas.

During a year of lockdown, partial reopening and Senior Schools changing their entry processes and dates at short notice, Lanesborough continued to prepare boys brilliantly. Alongside this, the entire community embraced the news that, from September 2021, Lanesborough would merge with the RGS to become RGS Prep.

Over the course of the year, Lanesborough continued to use a blend of Showbie, Microsoft Teams, OneNote and PowerPoint to teach whilst the boys were unable to attend in person. There were times when the lessons were 'hybrids', with a mix of live teaching and remote calling for those at home. Even when all the boys were back on the school premises, the use of bubbles meant that they were limited in sharing and using resources, so utilised technology very well.

2020-21 was also the first year with no year 7 or 8 boys and this meant the Year 6s took greater responsibility in helping run the school. Mentors, House Captains and Head Boys all did wonderfully well and embraced this new challenge. Alongside this, a number of scholarships were awarded:

- 12 scholarships were awarded for senior schools in the full range of Art, Music, Drama, Sport and Academic.
- 32 awards were achieved in ABRSM exams, ranging from pass to distinction; from initial grade all the way up to grade 6.
- Over 35 scholarships were offered (not all accepted)
- 11 boys achieved gold in UK First Mathematics Challenge

Sport continues to be a very important part of life at Lanesborough. The sports staff were inventive with there being a number of virtual fixtures and virtual challenges to complete – including Everest challenges (linking to flights of stairs) and also a virtual Race Around the World. Lanesborough continued to employ 2 Sports Apprentices alongside the three specialist sports staff.

Music, as always, plays a huge part in the life of Lanesborough. There has been a further increase in the number of instruments available for boys to learn – and this, in turn, has increased the number and quality of ensembles available. Even during periods of remote learning, the boys performed in virtual concerts and these were electronically shared with parents. Unfortunately, school choirs could not be run – nonetheless, Choristers did brilliantly well to perform with some quite restrictive conditions.

Drama, through specialist teaching in both Pre-Prep and Prep, continues to grow. The pre-Prep boys all performed with great confidence in their Nativity and the Year 6s put on an in-school pantomime based on The Grinch. At the end of the year, Year 2 performed in Ballooning Around the World and Year 6 performed in a carefully named production – Let Loose!

Unsurprisingly, Breakfast Club take up has decreased and averaged around 6 boys each day. After School Care provision has been outsourced to Sports 4 Kids, a company which works with many local schools. As with Breakfast Club, the take up has been smaller (averaging around 9 boys a day) but as offices reopen, it is expected to increase as this is clearly a valuable service for the parents.

Each Summer term the boys in years 3-6 come off timetable for a week to take part in Activities week which usually involves residential trips, day excursions and project work. Once more in 2020-21, as a consequence of the ongoing pandemic, opportunities for such outings were severely restricted. In their place, the School held virtual events or trips and a superb 'Inspire Day' was organised and run by the new head of the Motivated, Able, Gifted &Talented programme. The day saw visits from the Apollo team from Robot Wars, a professional footballer, an Olympic sprinter, a range of sports cars, the creation of biospheres and much, much more – all with the purpose of inspiring the boys to consider different and exciting possibilities and opportunities beyond the more obvious ones.

A wide range of charities, both local and international including Cancer Research, Macmillan, Seeds for Development and the WWF, continue to be supported by the boys. Charities supported are chosen by the boys and in just one Charities Morning, the Year 6 boys organised an event that raised over £1,200.

Lanesborough School champions a strong Values system to support the personal, social and spiritual development of every pupil throughout the school. One Value, selected on a rotating basis, is focussed on each month. A sample of these values includes fairness, respect, courage, ambition. This continues to be one of the underpinning features of the School.

Lanesborough is supported by a wonderful and very active Parents' Association (LPA), which organises many exciting events to raise money for the school. The Christmas Fair was a highlight and it was wonderful seeing all the boys buying presents for their loved ones. The LPA were tremendously inventive and came up with a selection of virtual events – such as virtual horse racing – to keep the community spirits up.

The annual Prize Giving events are highlights of the year when the numerous and varied achievements of all the boys at Lanesborough can be shared and celebrated. It is a wonderful occasion shared with the school, parents, Governors and VIPs. This year, due to Covid regulations, the Junior Prize Giving was held remotely and the Senior Prize Giving on the field with parents attending in a socially distanced way. It was a wonderful event and parents of leavers were delighted to be given the opportunity to visit the school with their sons for one last time.

Public benefit

The main beneficiaries of the School's work are boys aged 3 to 18 attending its schools. Governors have given due consideration to the Charities Commission guidance on Public Benefit guidance under Charities Act 2011 when considering activities in this area.

Governors wish the School's education to be widely available and so bursary applications are welcomed from families who could not otherwise afford to send their son to the School. Support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees are also considered on top of this.

In the year, 77 boys benefitted from bursary funding of over £1 million. Within this are 27 boys who received full fee remission for at least one term.

In addition to bursaries, the School gives opportunities to pupils of local schools to share the School's expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- Increasing links are being made with other local schools via the shared development of teacher CPD, the provision of revision sessions and academic support in a local senior school, and the membership of local educational partnerships. For example:

- The School is an associate member of a local MAT, the newly merged Athena-Guildford Education Partnership (Athena-GEP). The Headmaster of RGS is an Athena-GEP Trustee, an RGS Deputy Head is a member of the Guildford County School GLAC (Guildford Local Academy Committee), the RGS Bursar a member of Sandfield Primary School GLAC, the RGS HR Manager a member of Loseley Fields Primary School GLAC and an Assistant Head a member of the Kings College GLAC.

- Some RGS staff are deployed to teach in GEP schools: RGS staff provided Physics tuition for Y11 Kings College pupils and French lessons for Y5&6 were provided at Sandfield Primary School.

- The Enquiring Teacher Partnership, which facilitates teachers engaging in action research in their schools, is jointly a flagship partnership programme and is jointly led and administrated with the GEP schools. The RGS oversees the publication of the 2020 "Enquiring Schools: A Journal of Evidence-Based Enquiry"; This annual record is a wonderful publication bringing together all of the research from last academic year.

- As part of our partnership with the GEP, the School continued to support specifically a local Secondary School (Kings College). A new development in this partnership in 2020-21 was an RGS Assistant Head joining the Governors with specific responsibility for Safeguarding. The RGS Physics department continued to support the Kings Triple science pupils by delivery of Physics lessons, revision classes and TAGs preparation and moderation – although this provision was disrupted, some in-person and some remote sessions were possible throughout the year. Unfortunately previously supported Y9 Maths lessons and other visits were not possible due to pandemic restrictions.

- New this year, an RGS Physics teacher supported Science events at GEP Primary schools (Loseley Fields, Boxgrove and Guildford Grove) by delivering practical Science enrichment activities.

- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other educational providers and sharing of provision. In the past year the RGS Assistant Head Partnerships chaired the Steering Group, and RGS staff contributed to the Teaching and Learning Group, and the Examinations Officers Group. The RGS continued to lead an innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). Unfortunately, the full range of planned programmes did not occur due to restrictions, but three remote events did take place: The RGS Scholarship Conference (70 Y10-13 pupils registered from 6 schools); an on-line Facial Recognition workshop (115 Y7-9 pupils attending from 7 schools); and an on-line entrepreneur mini-course delivered by the Children's Business Fair organisation (70 Y7-8 pupils from 6 schools).

- Several RGS Staff, not already mentioned above, act as governors or trustees at other schools or organisations:

- Headmaster – Merchant Taylors' School (Indep)
- Deputy Head – Aldro School Governor, FAGP Committee (Indep.)
- Head of Finance – Pond Meadow School, Bellfields, Children & Learning committee (Maint.)
- Finance Team – Broadwater School, Finance & Resources Governor (Maint.)
- SENCO – Heathlands School, Hounslow, Governor (Maint.)
- Teacher – Twickenham Prep School Governor, Education and Planning committee (Indep.)
- Teacher – Twickenham School, Whitton Governor (Maint.)
- Teacher – Busbridge Junior School, Parent Governor (Maint.)
- Teacher – Southern Pro Musica Educational Outreach Officer

There are also significant Outreach programmes for Primary and secondary pupils. For example:

- The RGS Strings Scheme teaches all year 4 pupils in three Guildford primary schools (St Thomas', Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Over 200 pupils now take part in the scheme each week. During the last year provision has been disrupted but the scheme has continued with staff delivering a blend of in-person and remote lessons. The usual concerts were not possible, but school performances were recorded for on-line sharing with parents. This scheme is only possible due to the generous support of our principal donors: The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS), Southern Pro Musica Orchestra and Mila Charity. The 'Strictly Strings Orchestra' for continuers hosted at the RGS allows approximately 30 graduates of the string Schemes to continue to play in an orchestra to complement their individual tuition. This orchestra is generously funded by Southern Pro Musica and The Mila Trust. The orchestra continued with social distancing and performed a concert at the end of the year live for parents.

- Unfortunately, the usual RGS Primary Masterclasses were not possible due to the Covid restrictions.

- Once more, in the 2020-21 year, as a consequence of the pandemic, we were unable to welcome Primary schools pupils as usual for the Tudor Experience. Instead, we created a remote, off-line delivery version of the day and a digital package of video and resources was sent to all schools The aim is to build on their knowledge of the Tudor period and develop a greater understanding of life at that time. Pupils learn about the history of the school in Tudor times and enjoy sessions on Tudor art, music and Heraldry and finish by making a movie of their day.

- Regrettably, due to restrictions, all of our pupil community action programmes were suspended.

- At secondary school level, pupils from other local schools are invited to attend various events each year; Although the offering was reduced this year, other schools were invited to attend online lectures, for example: The RGS Scholarship Conference and Classics Society lectures. Unfortunately, the usual Careers Seminars, public art events, drama and music performances, author visits etc. were cancelled. However, support was given to pupils from other schools (such as Fullbrook School, George Abbot School, Guildford County School) with preparation for Oxbridge and medical school interviews as well as more general university application advice by a range of departments.

- At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Nepal and Cambodia where staff and pupils visit from the UK. Planned expeditions in 2020 and 2021 had to be cancelled due to the Covid pandemic but a fundraising quiz raised £1000 for our Charity partner 'Better Lives' in Cambodia.

- Other outreach included:
  - A Maths teacher travelled to Busbridge Junior School to deliver two sessions on Ancient Egyptian Mathematics to over 60 Y6 pupils. He covered how we know what sort of maths they used, their number system, and what mistakes to avoid when trying to build a pyramid. At the end the students did a rope-stretching activity to form right-angled triangles to help them build a square based pyramid.

- As usual in the Lent term, the Maths department hosted a University of Surrey student teacher placement. We were very nearly in the very odd position of a visiting teacher completing their placement without setting foot in the school, having joined all of the lessons and meetings remotely; however, pleasingly, at the end of term they were able to actually see the RGS!
- During the Trinity term the Head of Classics provided support to the Latin teacher at Guildford County School and helped to moderate their Latin Y11 coursework and TAGs evidence. “I just wanted to say how immensely grateful I am for all your help with the Moderation of TAGs. I have really appreciated all the work that has gone into it, and it has been so good to have a second opinion.”
- The English department donated four class sets of the text "An Inspector Calls" to Weydon School. “I just wanted to write to thank you and the RGS very much for the donation of a number of copies of An Inspector Calls to the English Department, here at Weydon. It means that we now have plenty of copies to go round, which will greatly improve the efficacy of our teaching”….

- Two apprenticeships are also being supported in the sports department of Lanesborough.

- Donation of textbooks to local schools.

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company's employees
3. The need to foster the Company's business relationships with suppliers, beneficiaries and others
4. The impact of the Company's operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company

Beneficiaries

The beneficiaries of the organisation are the pupils and the Directors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings **The values and aims of the school** and **achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.
The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the directors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors' report

Community and Environment

The schools are at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of directors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors' report, each committee has a specific focus, but considers the overall impact of decisions on the wider organisation. Throughout the pandemic, the impact of the Covid-19 situation has been regularly and frequently shared with the directors, who are fully aware of the measures being put in place to manage this whilst continuing to provide the best education for the pupils and ensuring the safety and wellbeing of staff and pupils alike.

Culture and Values

The values of each school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a new legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by RGS & Lanesborough is included in the table below.

	Gas		Electricity		Transport		Total	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
kWh	2,897,813	1,637,475	1,004,177	1,039,759	65,902	81,991	3,967,892	2,759,225
Mileage	n/a	n/a	n/a	n/a	56,000	68,900	56,000	68,900
KgCO2e	530,763	301,082	213,217	242,409	12,070	20,963	756,050	564,454
tCO2e	531	301	213	242	12	21	756	564

UK energy use covers all educational and ancillary activities across the School.

Associated Greenhouse gases have been calculated using 2021 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For RGS & Lanesborough we have used the average number of pupils over the year as the relevant operational driver. **In 2020/21 1,288 pupils accounted for emissions of on average 587kgCo2e each (2019/20 1,298 pupils accounted for emissions of on average 435 kgCo2e each)**. The intensity metric for 2020/21 appears significantly higher than that reported in 19/20, largely reflecting that school buildings remained open and operational for a larger proportion of the school year in 2020/21 than the prior year. Both years will show an artificially depressed intensity metric as a consequence.

As part of a rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- Our smaller electricity meters (NHH) use renewable energy. Whilst our larger (HH) electricity meters are supplied by businesses which guarantee zero carbon
- We continue our roll out of energy efficient LED fittings across all sites
- Windows have continued to be replaced for double glazed units
- Doors have been upgraded in communal areas to improve on heat loss in various buildings
- Boiler replacements have been for energy efficient models
- Where washrooms have been refurbished we have used water saving devices including on cisterns and taps
- We have installed C02 monitors for measuring air quality in various places across site
- We replaced 5 of our minibuses over the Summer bringing our total of vehicles using AdBlu to 7

FINANCIAL REVIEW

Results for the year

The School is pleased to report the generation of a net movement in funds of £1.9m in the year ended 31st July, 2021 (2020: £24k). £1m of this increase arose from the operation of the school. The balance is accounted for by an unrealised actuarial gain on the Surrey County Council pension fund. The School's net income and capital inflow totalled £1.9m from £23.2m total income (2020: £24k from £23.5m). The School also generated a cash surplus which was sufficient to cover planned annual investment in its facilities, servicing of loan financing of major capital investment projects and increase the School's cash balance at year. This further strengthened the School's ability to ensure that costs can be met as they fall due.

Total income includes investment income of £1k (2020: £14k) and also £380K (2020: £303k) of donations.

Further national lockdowns during the year meant that school buildings and sites, once more, were closed to the majority of pupils. At the RGS this meant that pupils, other than the children of critical workers, returned to remote learning for much of the Lent term. The situation was somewhat different at Lanesborough, where nursery provision remained open throughout the period of lockdown, an increased number of key worker children opted to attend in-person and a gradual re-opening of Primary school provision began ahead of full reopening of all schools. As in 19-20, a remission in fees of between 10%-20% dependent on year group, for the period of school closure was extended to all fee payers, in recognition of the change in provision and the prevailing exceptional circumstances. Alongside the School's regular bursary programme, hardship bursary support was extended to eight families, with the generous support of donors and current parents.

To mitigate the reduction in fee income, the School availed of government support available through the Covid Job Retention Scheme for part of the year for those staff members whose roles could not be fulfilled while the majority of pupils remained offsite, although to a lesser extent than in the previous year (2020/21 £131k, 2019/20 £261k). Other cost efficiencies were also sought and achieved, in addition to the rescheduling of loan repayments to ensure that sufficient cash reserves were maintained to cover obligations as they fell due.

As we emerge from the initial phases of the pandemic, additional challenges have arisen around energy prices, public finances and supply chain issues, which predict a somewhat turbulent and unpredictable economic outlook in the immediate future. With effect from 31st August 2021, the school has elected to withdraw from the Surrey County Council Superannuation Fund and finalise its pension liability, in respect of this scheme, as at that date. Final valuation of the cost of withdrawal is yet to be received but is expected, based on previous estimates, to be in the range of £2.5m to £3m. Nonetheless demand for the School remains high and it is believed likely that pupil numbers will be maintained in the foreseeable future. Whilst some provision has been made for bad debts, collection of fee income has been more positive than possible scenarios which were planned for. The Directors have considered the impact of the ongoing pandemic and withdrawal from the SCC Superannuation fund on the School's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability.

The vast majority of the School's funds are held in the form of the buildings and physical assets of the School. At year end the School reports total funds of £39.1m(2020: £37.2m) which includes £187k of unspent restricted income (2020: £192k). Net current assets – broadly equivalent to liquid reserves- of £3.8m were held at the end of the year (2020: £2.1m)

The School seeks to carry sufficient but not significant levels of free reserves for contingency purposes. During the year, and in particular during the periods which continued to be affected by the Covid-19 outbreak, the level of liquid reserves was adequate to meet commitments as they fell due, without recourse to additional borrowing. Free reserves as at 31 July 2021 equalled £4.8m (2019/20 £1.8m).

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. Demand for places a the RGS remains strong. Following full school reopening, appropriate measures are in place to restrict the spread of Covid-19 and the school's capability to support quality remote education, should this become necessary once more, is very robust. Nonetheless, these scenarios consider reduced pupil numbers, delayed fee payment and potential bad debts. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are sufficient to meet the charity's obligations as they fall due.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The School reviews its investment policy annually and adapts it if appropriate. The policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs) which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held as cash on behalf of Restricted funds will be credited with interest at the School's marginal borrowing rate
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the Schools.

The School's investments relate to restricted and prize funds. The performance of the funds has been in line with expectations. For more detailed information about the School's investments, please refer to note 7.

Fundraising

Fundraising for RGS funding priorities is exclusively carried out by the Royal Grammar School, Guildford Foundation Limited, which raises funds for bursaries. The costs of the Foundation are met entirely by the School. In addition, a small amount of volunteer fundraising is carried out by the Parents' Associations of both RGS and Lanesborough, and also by the boys themselves.

The Foundation's fundraising activities are carried out by an in-house staff team. The Foundation adheres to the Code of Fundraising Practice. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances.

FUTURE PLANS

Each school's development plans were agreed by Governors and are subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community.

- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level.
- To enhance further the support for students' and staff welfare and personal development;
- To foster outstanding teaching and learning at the RGS and Lanesborough;
- To continue to work towards widening access to the school for able students with limited means

These plans underpin individual detailed development plans for each area, which will enhance the School's ability to provide an exceptional education.

From September 2021, RGS and Lanesborough merged to become one registered school and Lanesborough was renamed RGS Prep. Work is ongoing in both the academic and non-academic departments, to realise the benefits to both senior and prep school of this merger.

RISK MANAGEMENT

The Directors have examined the principal areas of the schools' operations and considered the major risks faced in each of these areas. Each of the two schools updates its risk assessment at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGS Education committee and the Lanesborough committee as appropriate before passing to the F&GP committee and the Board for discussion.

The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the school's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGS or Head of Lanesborough could detrimentally affect the schools' admissions and performance. The development of members of the senior team in each school and ongoing support of the governors will help reduce the impact of a change of Head.
- Uncertainties for the economy could further affect parents' finances and could lead to increased debts to the school and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- Changes in the political climate could lead to the introduction of legislation that could lead to financial pressure on independent schools. The outcomes of policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.
- Incidence of a pandemic adversely impacting on the schools' ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Impact lower as Excellent remote teaching and learning capability has been rolled out and enhanced by the school during the periods of lockdown, significantly mitigating the risk of the schools being unable to deliver quality education. The Senior Management Team continued to convene on a regular basis to consider emerging issues as they arose and this is ongoing in the new academic year.

The School has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the School's day to day operations. The School regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:

Sarah Creedy

13th December 2021

Mrs S K Creedy

Independent Auditor's Report to the Directors of RGS and Lanesborough

Opinion

We have audited the financial statements of RGS and Lanesborough ('the charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, Charity Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of the charitable company's income and receipts of endowments and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 or the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report, which includes the strategic report prepared for the purposes

of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors' 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 directors' 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, 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 The Education (Independent School Standards) Regulations 2014.

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 and recognition of non-fee income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and General Purposes 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.

Use of our report

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

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date

Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2021

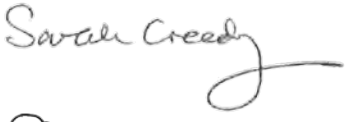
	Note	Unrestricted Funds	Restricted Funds	2020-2021 Total	2019-2020 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2	21,780	0	21,780	21,415
Other educational income	3 (a)	587	0	587	1,112
Other ancillary trading income	3 (b)	248	0	248	271
Donations and Legacies					
Donations and Legacies		12	368	380	303
Investments					
Income from Investments		1	0	1	14
Other income	3 (c)	181	0	181	451
Total income		22,809	368	23,177	23,566
Expenditure on:					
Raising Funds					
Financing costs under Advance Fee contracts		3	0	3	3
Bank interest		44	0	44	101
Pension Commitment net financial Costs		76	0	76	5
Fundraising costs	4 (a)	123	0	123	109
Charitable activities					
Schools and grant making	4 (b)	21,620	393	22,013	22,114
Ancillary Trading	4 (b)	4	0	4	5
Total Expenditure		21,747	393	22,140	22,228
NET INCOMING FUNDS / (EXPENDITURE) FROM OPERATIONS BEFORE INVESTMENT GAINS		1,062	(25)	1,037	1,338
Net (losses)/gains on investments		(1)	0	(1)	3
NET INCOME/(EXPENDITURE)		1,061	(25)	1,036	1,341
Transfers between funds	13 (d)	(20)	20	0	0
Pension Scheme actuarial gains/(losses)	16 (iv)	905	0	905	(1,317)
NET MOVEMENT IN FUNDS FOR THE YEAR		1,946	(5)	1,941	24
Fund balances brought forward at 1 August 2020		37,011	192	37,203	37,179
FUND BALANCES carried forward at 31 July 2021		38,957	187	39,144	37,203

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 25 to 44 form part of these Financial Statements.

	Note		2021		2020
FIXED ASSETS		**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	6		39,106		40,391
Investment assets	7		160		162
			39,266		40,553
CURRENT ASSETS					
Stocks	8	57		62	
Debtors	9	924		919	
Cash		8,631		6,436	
		9,612		7,417	
CURRENT LIABILITIES					
Creditors payable within one year	10	(5,835)		(5,299)	
NET CURRENT ASSETS			3,777		2,118
TOTAL ASSETS LESS CURRENT LIABILITIES			43,043		42,671
LONG TERM LIABILITIES					
Creditors payable after one year	11		(3,215)		(3,646)
Pension Scheme Liabilities	16 (i)		(684)		(1,822)
TOTAL NET ASSETS			39,144		37,203
Represented by:	13				
			£		**£**
RESTRICTED FUNDS			187		192
UNRESTRICTED FUNDS					
Designated Funds		34,118		35,224	
General Funds		4,839		1,787	
UNRESTRICTED FUNDS			38,957		37,011
TOTAL FUNDS			39,144		37,203

Approved by the Board of RGS and Lanesborough, on 13 December 2021 and signed on behalf of the Company by:



) Board Member



) Board Member

The accounting policies and notes on pages 25 to 44 form part of these Financial Statements.

	Note	2021		2020	
NET CASH INFLOW FROM OPERATIONS		**£000**	**£000**	**£000**	**£000**
Net cash provided by operating activities			2,815		3,290
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for tangible fixed assets	6	(468)		(370)	
Proceeds on sale of tangible fixed assets		68		20	
Additions to investments		1		0	
Investment income and bank interest received		1		14	
Net cash (used in) investing activities			(398)		(336)
Cash flows from financing activities:					
Finance costs paid		(222)		(2,527)	
Net cash provided by financing activities			(222)		(2,527)
Change in cash and cash equivalents in the reporting period			2,195		427
Cash and cash equivalents at 1st August 2020			6,436		6,009
Cash and cash equivalents at 31st July 2021			8,631		6,436

Net Cash Inflow from Operating Activities	**2021**	**2020**
Net incoming resources	1,037	1,338
Elimination of non-operating cash flows:		
- Investment income	(1)	(14)
- Finance costs	222	2,527
(Profit) on sale of fixed assets	(22)	(20)
Depreciation	1,707	1,800
Decrease in stocks	5	3
(Increase)/decrease in debtors	(5)	58
Increase/(Decrease) in creditors (excluding fees in advance scheme and deposit)	194	(2,443)
Defined benefit pension scheme adjustments	(233)	5
(Decrease) in fees in advance scheme creditors	(149)	(11)
Increase in parents' deposits	60	47
Net Cash Inflow from Operating Activities	2,815	3,290

Changes in Cash and Cash equivalents

Analysis of balances at 31 July	**Change in Year**	**2021**	**2020**
Cash	0	4	4
Cash Equivalents (Deposit < 3 months)	2,195	8,627	6,432
Changes in Cash and Cash equivalents from the School's operations	**2,195**	**8,631**	**6,436**

The accounting policies and notes on pages 25 to 44 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

At the time of approval of the Annual Report, some turbulence is being experienced in the UK economy and the long term impact on the charity, in common with other businesses, remains unknown. The charity holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at RGS & Lanesborough (now RGSPrep) remains strong, with continuing high numbers enrolled for the academic year 2021/22. Collection of fee income continues to be robust and fee debtor balances are slightly lower than at year end 2019-20, despite a fee increase for the year. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Directors believe the Schools' financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.
The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities - the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 16.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and
Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the Directors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by The School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the group are credited to school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Income from Government Grants

Government grant income received in the year – and specifically that received under the Coronavirus Job Retention Scheme – is reported under the heading Other Income and separately identified in the notes to the accounts. Such income has been recognised under the accrual model whereby grant income is recognised in the period in which the expense to which it relates was incurred.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Investments are shown at their fair values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted or restricted funds as appropriate and are accounted for in the SOFA.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £5,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	-	2% per annum on a straight line basis
Furniture & Fittings	-	15% per annum on a straight line basis
Computer Equipment	-	25% per annum on a straight line basis
Photocopiers	-	20% per annum on a straight line basis
Motor Vehicles	-	30% per annum on a reducing balance basis
Playing Field Equipment	-	12.5% per annum on a straight line basis
Leasehold Property	-	over the length of lease
Leasehold Improvements	-	over the length of lease
Major Refurbishment	-	4% per annum on a straight line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

The School also contributed to the Surrey County Council Superannuation Fund during the year, which is a defined benefit scheme for support staff, and is closed to new entrants from the School. With effect from August 31st, 2021, as a consequence of dwindling employee membership, the School has elected to withdraw from this scheme.

The School has fully adopted FRS 102 and, in accordance with this the following elements are charged to the SOFA:

i. The service costs of pension provision relating to the year, together with the cost of any benefits relating to past service.

ii. The net finance cost represented by a charge equal to the increase in the present value of the Scheme liabilities and a credit equivalent to the long term expected return on assets.

iii. The actuarial gain or loss on the Scheme assets and liabilities.

The difference between the market value of assets of the Scheme and the present value of accrued pension liabilities is shown as a liability on the Balance Sheet.

Investments in funds are valued at bid price quoted by the investment manager at the Balance Sheet dates.

The closing liability of the School in respect of the Surrey County Council Superannuation Fund is disclosed as a post balance sheet event, in note 20.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Scheme.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31st July 2021. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. The Royal Grammar School and Lanesborough School are treated as separate Schools for this purpose. Under FRS 102 this year all deposits are

considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity The School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2021 £000	2020 £000
(a) The school's fee income receivable comprised:		
Gross fees	23,211	22,908
Less: Total bursaries, scholarships and discounts	(1,798)	(1,790)
	21,413	21,118
Add back: Bursaries paid for by Restricted/Designated Funds	367	297
	21,780	21,415

	Restricted Funds £000	Unrestricted Funds £000	2021 £000	2020 £000
(b) Grants and awards paid for by Restricted/Designated Funds comprised				
Bursaries for pupils	367	0	367	297

Bursaries were awarded from Restricted/Unrestricted Funds to 77 individuals (2020: 74).

3. CHARITABLE INCOME - OTHER

(a) Other educational income	2021 £000	2020 £000
Registration fees	55	49
Sundry parental receipts	497	1,000
Sub-lettings	35	63
	587	1,112

(b) Other ancillary trading income	2021 £000	2020 £000
Insurance commissions	0	0
Income from recharges to International Activities	248	271
Total for School	248	271

(c) Other incoming resources	Restricted Funds £000	Unrestricted Funds £000	2021 £000	2020 £000
Gains on sale of tangible fixed assets	0	22	22	20
Government Grant - Job Retention Scheme	0	131	131	261
Other	0	28	28	170
	0	181	181	451

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	2021 Total	2020 Total
(a) Cost of Raising Funds	**£000**	**£000**	**£000**	**£000**	**£000**
Finance costs	0	123	0	123	109
(b) Charitable activities					
Schools and grant making					
Teaching	12,157	1,123	226	13,506	13,935
Welfare	82	908	0	990	872
Premises	449	2,187	1,059	3,695	3,533
Support costs of schooling	1,938	1,095	422	3,455	3,477
Other ancillary costs	0	0	0	0	0
Donations, Grants, awards and prizes	0	367	0	367	297
School's operating costs	14,626	5,680	1,707	22,013	22,114
Ancillary trading costs	0	4	0	4	5
Total Charitable Expenditure	14,626	5,684	1,707	22,017	22,119
Total Resources Expended	14,626	5,807	1,707	22,140	22,228

(c) Governance costs included in support costs		
Auditors' remuneration *		
Current year charge	38	37
Prior year under-provision	5	7
Other services	1	8
Other direct costs	0	0
Trustees' costs **	0	4
Governance costs	44	56

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to DBS checks for Governors £97, the cost of Governor meetings £227 and subscriptions £50. There are 21 Governors who are directors of RGS and Lanesborough. There was no Trustee remuneration or expenses during the year.

5. EMPLOYEES

	Teaching	Other	2021	2020
	£000	**£000**	**£000**	**£000**
Wages and salaries	8,922	1,763	10,685	10,963
Social security costs	1,015	205	1,220	1,190
Pension contributions	1,864	373	2,237	2,119
Other staff costs	356	126	482	440
	12,157	2,467	14,624	14,712

Average number of employees during the year	**2021**		**2020**	
	Full time	**Part time**	**Full time**	**Part time**
Teaching	123	48	135	39
Non Teaching	65	47	64	43
	188	95	199	82

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:	2021	2020
£60,000 - £70,000	25	27
£70,000 - £80,000	6	5
£80,000 - £90,000	3	2
£100,000 - £110,000	1	2
£150,000 - £160,000	1	1
£200,000 - £210,000	0	1
£220,000 - £230,000	1	0
	37	38

Pension contributions of £572k (2020 - £606k) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £534k (2020 - £567k) were made into a defined benefit pension scheme.

The aggregate employee-benefits of key management personnel (the Senior Management Teams of both schools) including employers' pension contributions and National Insurance total £2,126 (2020 - £2,133k).

During the year there were redundancy or termination payments totalling £50k (2020: £0).

No remuneration or expenses were paid to the Governors during 2020 (2020: £0).

6. Tangible fixed assets

Cost and depreciation

	Computer Equipment	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Property	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**
At beginning of year	1,192	49,572	2,129	3,717	56,610
Additions	58	0	0	410	468
Disposals	0	(26)	0	(68)	(94)
At end of year	1,250	49,546	2,129	4,059	56,984
Depreciation					
At beginning of year	738	11,980	1,115	2,386	16,219
Charge for the year	226	1,039	20	422	1,707
Eliminated on Disposal	0	(9)	0	(39)	(48)
At end of year	964	13,010	1,135	2,769	17,878
Net Book Value					
At end of year	286	36,536	994	1,290	39,106
At beginning of year	454	37,592	1,014	1,331	40,391

7. Investment assets

	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	55	0	55
Disposals	0	0	0
Unrealised loss	(1)	0	(1)
At end of year - (market value)	54	0	54
Cash at investment managers at beginning of year	0	107	107
Movement in year	0	(1)	(1)
At end of year - (market value)	0	106	106
At end of year - (market value)	54	106	160
At beginning of year - (market value)	55	107	162

Investments are held in Common Investment Funds (66%) and in cash.

8. Stocks

	2021 £000	2020 £000
Catering/cleaning stocks	14	15
School items for resale	43	47
Total stock	57	62

9. Debtors

	2021 £000	2020 £000
Fee debtors	189	195
Less Provision for bad debts	(73)	(75)
Amounts due from other Group companies	325	351
Other debtors and prepayments	483	448
Total debtors	924	919

10. Creditors: due within one year

	2021 £000	2020 £000
Bank loan (see below)	1,982	1,809
Obligations under Finance Leases	8	8
Trade and other creditors	949	780
Other taxes and social security	320	286
Amount due to Foundation	91	55
Accruals	250	299
Acceptance deposits	1,832	1,772
Fees received in advance	283	103
Advanced fees (see note 12)	120	187
Total creditors	5,835	5,299

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2021 have been included within current liabilities. The prior year acceptance deposits balance has been similarly represented.

11. Creditors: due after more than one year

	2021 £000	2020 £000
Bank loan (see below)	3,134	3,485
Obligations under Finance Leases	5	3
Advanced fees (see note 12)	76	158
	3,215	3,646

The bank loans, totalling £5.12m (2020: £5.29m) are secured by charges on the freehold land and buildings of the school. There were two loans in existence at year end:

The older loan of £1.65m (2020: £1.65m). In August 2018 this loan was reclassified as an overdraft, and included in its entirety under Creditors: due within one year.

An additional loan dated 23rd August 2017 had a balance at the end of the year of £3.46m. The loan is split between £0.33m as a Creditor: due within one year and the balance due after more than one year. This loan was arranged to facilitate building work, with a total approved loan value of £6m. Repayments started in April 2019 and a lump sum repayment of £2m was made during 2019/20. The final repayment date is September 2024.

The bank loans are repayable:	2021 £000	2020 £000
After 5 years	0	0
Within 2 to 5	2,799	3,348
Within 1 to 2	335	137
After more than one year (Note 11)	3,134	3,485
Within one year (Note 10)	1,982	1,809
	5,116	5,294

The obligations under finance leases relate to photocopiers purchased for both RGS and Lanesborough.

The finance leases are payable:	2021	2020
	£000	£000
After 5 years	0	0
Within 1 to 5	5	3
After more than one year (see above)	5	3
Within one year (see note 10)	8	8
	13	11

12. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2021	2020
	£000	£000
After 5 years	0	0
Within 2 to 5 years	21	75
Within 1 to 2 years	55	83
After more than one year (see note 11)	76	158
Within one year (see note 10)	120	187
	196	345

The balance represents the accrued liability under the contracts. The movements during the year were:

	2021	2020
	£000	£000
Balance at beginning of year	345	356
New contracts	39	231
Amounts accrued to contracts	2	4
	386	591
Amounts utilised:		
In payment of fees	(190)	(246)
Capital repayments	0	0
	(190)	(246)
Balance at end of year	196	345

13. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:

Restricted Funds within the School are mainly made up of the following:

- The Gieve Fund, which is the residue of a bequest held for the general benefit of choristers at Lanesborough School.
- The Bursary Fund which receives restricted bursary donations. All restricted bursary receipts during the year are expended on current year bursaries.
- Restricted Minor Ad Hoc funds include the OGA Magazine Fund, which is used for the production of the Old Guildfordian magazine, which is now under the auspices of the Development and Alumni Relations Office.

Major Unrestricted Funds:

Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less loans. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the year.

(a) The consolidated net assets at 31st July 2021 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	106	0	0	106
Bursaries		0	0	1	0	1
Ad hoc Minor Funds		0	0	80	0	80
Total Restricted Funds		0	106	81	0	187
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	39,106	0	(1,982)	(3,134)	33,990
Prize		0	54	9	0	63
Ad hoc Minor Funds		0	0	65	0	65
Total Designated Funds		39,106	54	(1,907)	(3,134)	34,118
School General/Capital Development		0	0	5,604	(81)	5,523
Pension Fund Liability		0	0	0	(684)	(684)
Total Unrestricted Funds		39,106	54	3,697	(3,899)	38,957
Total Funds		39,106	160	3,778	(3,899)	39,144

1. The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	31 July 2020 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2021 £000
Bursary fund	1	0	0	367	(367)	1
Gieve fund	106	0	0	0	0	106
Ad hoc funds	85	0	0	20	(25)	80
Total Restricted funds	192	0	0	387	(392)	187

(c) Unrestricted funds: movements in the year

	31 July 2020 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2021 £000
Designated funds						
Tangible Net Fixed Asset	35,101	0	0	(1,111)	0	33,990
Prize	60	0	3	0	0	63
Ad hoc funds	63	0	0	0	2	65
Total Designated funds	35,224	0	3	(1,111)	2	34,118
Not designated						
School General/ Capital Development fund	3,609	1	(1)	1,902	12	5,523
Pension Fund Liability	(1,822)	0	0	1,138	0	(684)
Total Unrestricted Funds	37,011	1	2	1,929	14	38,957

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
Transfer of general reserves to Designated Tangible Net Asset Fund	1,111	(1,111)	0
Reclassification of ad hoc restricted funds from general fund	(20)	0	20
	1,091	(1,111)	20

Comparative Allocation of charity net assets

(a) The consolidated net assets at 31st July 2020 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	107	(1)	0	106
Bursaries		0	0	0	0	0
Ad hoc Minor Funds		0	0	86	0	86
Total Restricted Funds		0	107	104	0	192
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	40,391	0	(1,805)	(3,485)	35,101
Prize		0	55	4	0	59
Ad hoc Minor Funds		0	0	63	0	63
Total Designated Funds		40,391	55	(1,737)	(3,485)	35,224
School General/Capital Development		0	0	3,770	(161)	3,609
Pension Fund Liability		0	0	0	(1,822)	(1,822)
Total Unrestricted Funds		40,391	55	2,033	(5,468)	37,011
Total Funds		40,391	55	2,033	(5,468)	37,011

[1] The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	31 July 2019 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2020 £000
Bursary fund	1	0	0	297	(297)	1
Gieve fund	105	1	0	0	0	106
Ad hoc funds	104	0	0	0	(19)	85
Total Restricted funds	210	1	0	297	(316)	192

(c) Unrestricted funds: movements in the year

	31 July 2019 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2020 £000
Designated funds						
Tangible Net Fixed Asset	34,103	0	0	998	0	35,101
Designated Bursary	0	0	0	0	0	0
Prize	60	0	0	0	0	60
Ad hoc funds	63	0	0	0	0	63
Total Designated funds	34,226	0	0	998	0	35,224
Not designated						
School General/Capital Development Fund	3,242	13	3	345	6	3,609
Pension Fund Liability	(500)	0	0	(1,322)	0	(1,822)
Total Unrestricted Funds	2,742	13	0	(977)	6	37,011

14. Operating Leases

As at 31st July 2021, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	**2021 £000**	**2020 £000**
Under 1 year	124	124
More than 1 year and less than 5 years	176	176
Greater than 5 years	0	0
	300	300

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2021 were £134,123 (2020 - £124,200).

15. Capital Commitments

At 31st July 2021 there were no capital works authorised but not provided for in these Accounts (2020 - £0).

16. Pension Obligations

The School operates four pension schemes:

a. The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,801,367 (2019/2020 - £1,843,181) and at the year end £0 (2019/2020 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

b. A defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme, which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. The scheme is valued every three years by a professionally qualified actuary using the projected unit actuarial method, the rates of contribution payable being determined by the actuary. Because the scheme is now closed to new entrants within the School the current service cost will increase as members of the scheme approach retirement. The latest FRS 102 valuation was based on the formal assessment at 31 March 2019 projecting the results of that valuation forward to 31st July 2021 using approximate methods. The scheme was closed to new entrants in 2006.

Rates of contribution have been set to meet 100% of the liabilities arising in respect of service after the valuation date over the average expected future membership period of the active members pertaining to each employer to reflect the shortfall of the value of each participating employer's notional share of the fund's assets compared with 100% of its accrued liabilities allowing, in the case of members in service, for further pay increases. Additional charges arose from April 2011 to cover part of the deficit and the employer contribution rate has also increased from this time. The charge for the year was £49,414 (2019/20 - £58,938). At the year end £0 (2019/20 - £0) was accrued in respect of contributions to this scheme. From August 2017 additional annual contributions decreased to £37,172 per annum, with employer contributions levied at 32.6%. From April 2020 the additional annual contributions increased to £114,000 per annum, with employer contributions levied at 43.6%. Employee rates vary between 5.5% and 8.5%.

As required by FRS 102 provision has been made in the financial statements to incorporate the school's portion of the deficit attributed to it.

		2021	2020
		£000	£000
i)	**Amounts recognised in the balance sheet are as follows:**		
	Present value of obligations	7,834	7,572
	Fair value of plan assets	7,150	5,750
	Net liability	(684)	(1,822)

ii)	**Changes in the present value of the scheme obligations:**	**2021**	**2020**
		£000	**£000**
	Opening defined benefit obligation	7,572	6,788
	Service cost	54	114
	Interest cost	97	142
	Employee contributions	8	11
	Actuarial loss (excluding assets)	356	737
	Benefits paid	(253)	(220)
	Defined benefit obligations at the end of the year	7,834	7,572

iii)	**Changes in the fair value of the scheme assets are as follows:**	**2021**	**2020**
		£000	**£000**
	Opening fair value of scheme assets	5,750	6,288
	Expected return	75	131
	Actuarial gain/(loss)	1,261	(580)
	Employer contributions	309	120
	Employee contributions	8	11
	Benefits paid	(253)	(220)
	Fair value of scheme assets at the end of the year	7,150	5,750

iv)	**The amounts included in the Statement of Financial Activities are as follows:**	**2021**	**2020**
		£000	**£000**
	Expected return on scheme assets	(75)	(131)
	Interest on pension liabilities	97	142
	Current service cost	54	114
	Total Amount Charged to the Statement of Financial Activities	76	125
	Net actuarial gains/(losses) recognised in the year	905	(1,317)

The School expects to contribute £114,000 to the scheme in 2021/22.

v) **Reconciliation of movements in Present Value of Plan Liabilities and Assets**

	2021 £000	2020 £000
Net liability at 1st August 2020	1,822	500
Movements in the year:		
Employer's current service cost	54	114
Employer's contribution	(309)	(120)
Expected return on plan assets	(75)	(131)
Actuarial return less expected return on plan assets	(1,261)	580
Interest on pension liabilities	97	142
Changes in assumptions underlying the plan liabilities	356	737
Net liability at 31st July 2021	684	1,822

vi) **The major categories of scheme assets as a percentage of total scheme assets are as follows:**

	2021 %	2020 %
Equities	74	71
Fixed Interest	17	18
Cash and Other	7	8
Property	2	3

The overall expected rate of return on the scheme assets is determined by reference to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

	2021 £000	2020 £000
Expected return on the scheme assets in the year	75	131

vi) **Principal assumptions at the balance sheet date (expressed as weighted averages):**

	2021 %	2020 %
CPI	2.8	2.2
Discount rate	1.6	1.3
Rate of increase in salaries	3.7	3.1
Expected return on scheme assets at 31st July	1.0	2.3
Assumed life expectations on retirement at age 65:		
Retiring today - males	22.3	22.1
Retiring today - females	24.7	24.3
Retiring in 20 years - males	23.4	22.9
Retiring in 20 years - females	26.4	25.7

c. A defined contribution scheme for non-teaching staff appointed in recent years - the Prudential TUC Stakeholder Pension Scheme. The assets for the Scheme are held separately from those of the School. The charge for the year was £52,263 (2019/20 - £56,015). At the year end £0 (2019/20 - £0) was accrued in respect of contributions to this scheme. The scheme is now closed to new entrants as it does not fulfil auto enrolment requirements.

d. A new defined contribution scheme for non-teaching staff in line with auto enrolment guidance issued by the Pensions Regulator - the Standard Life Pension Scheme. The assets for the Scheme are held separately from those of the School, and are managed by a multi asset investing team. The charge for the year was £190,931 (2019/20 - £181,923). At the year end £0 (2019/20 - £0) was accrued in respect of contributions to this scheme.

17. Analysis of Net Funds/(Debt)

	As at 31 July 2020 £000	Cash Flow £000	As at 31 July 2021 £000
Net cash balances	6,436	2,195	8,631
Creditors: due within one year			
Finance leases	(8)	0	(8)
Loans	(1,809)	(173)	(1,982)
Advance Fee agreements	(187)	67	(120)
Creditors: due after more than one year			
Finance leases	(3)	(2)	(5)
Loans	(3,485)	351	(3,134)
Advance Fee agreements	(158)	82	(76)
	786	2,520	3,306

18. Related party transactions

1509 Group, registered charity number 1084866, company number 4104101, is the parent company of the School, and all other companies in the group. The School is the sole voting member of the Foundation (The Royal Grammar School, Guildford Foundation), registered charity number 1089955, company number 4232306. The RGS Guildford International Ltd, company number 09633181, was incorporated on 10th June 2015, and is a subsidiary of 1509 Group. On 19 June 2018 RGS Guildford International (Dubai) Ltd, company number 11422203 was incorporated and on 15 July 2019 RGS Guildford International (China) Ltd, company number 12104378, was incorporated. Both of these companies are subsidiaries of 1509 Group.

During the year RGS and Lanesborough School charged the RGS Guildford International Ltd £82,616 (2020 - £91,499) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £82,616 (2020 - £104,522).

During the year RGS and Lanesborough School charged the RGS Guildford International (Dubai) Ltd £82,816 (2020 - £91,699) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £126,361 (2020 - £95,498).

During the year RGS and Lanesborough School charged the RGS Guildford International (China) Ltd £82,616 (2020 - £91,499) relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £86,451 (2020 - £95,284).

The Foundation transferred £367,580 of donations to the school for the year (2020: £309,750). The Foundation's costs of £274,131 (2020: £239,786), for both fundraising and alumni work were covered by the School during the year. At the end of the year the Foundation owed the School £21,904 (2020: Foundation owed the School £48,363). The School made a transfer to the Foundation of £91,000 in 2021 (2020: £55,000) for the Foundation's Enduring Bursary Fund.

During the year there were no donations from the Governors to RGS and LPS.

19. Control

The 1509 Group, registered charity number 1084866, company number 4104101, is the holding company of the School, and the ultimate parent company of the group. The group accounts are available from 1509 Group registered office, at The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

20. Post Balance Sheet Events

RGS and Lanesborough School changed its name on 29th September 2021 to Royal Grammar School Guildford.

With effect from 31st August 2021, the School has elected to withdraw from the Surrey County Council Superannuation Fund. This fund is a defined benefit scheme for support staff and is closed to new entrants from the School. The value at the date of withdrawal is yet to be confirmed, but is expected to be in the range of £2.5m to £3m.

21. Statement of Financial Activities - Comparative figures by fund type

	Unrestricted			
Year Ended 31st July 2020	General	Designated	Restricted	Funds Total
	£000	£000	£000	£000
Income from Charitable Activities				
School Fees	21,415			21,415
Other educational income	1,112			1,112
Other ancillary trading income	271			271
Incoming Resources from Generated Funds				
Donations and Legacies				
Donations and legacies	6		297	303
Investments				
Income from Investments	13		1	14
Other Income	451			451
Total Income	23,268	0	298	23,566
Expenditure on Raising Funds				
Financing costs under advance fee contracts	3			3
Bank interest	101			101
Pension Commitment net financial costs	5			5
	109	0		109
Expenditure on Charitable activities				
Schools and grant making	21,798		316	22,114
Ancillary Trading	5			5
Total Expenditure	21,912	0	316	22,228
NET INCOMING/(OUTGOING) RESOURCES BEFORE INVESTMENT GAINS	1,356		(18)	1,338
Net gains/(losses) on investments	3		0	3
NET INCOME/(EXPENDITURE)	1,359	0	(18)	1,341
Transfers between funds	(998)	998		0
Actuarial gain/(losses) on Defined Benefit Pension Scheme	(1,317)			(1,317)
NET MOVEMENT IN FUNDS FOR THE YEAR	(956)	998	(18)	24
Fund balances at 1 August 2019	2,743	34,226	210	37,179
FUND BALANCES at 31 July 2020	1,787	35,224	192	37,203

Royal Grammar School Guildford

England & Wales - Charity number 1177353

Accounts



RGS and Lanesborough

Annual Report & Financial Statements

For the Year Ended

31 July 2020

Charity Number 1177353
Company Number 10874615

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Governors

The Governors of the School, who are also directors of the company are listed below.

Directors of the Company			**Appointed by**
F,N, E,L	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
F, N,L	Mr P G Peel FCA	Chairman of the Finance and General Purposes Committee and Vice Chairman of Governors	Board – co-opted
E, N	HHJ Critchlow LLB DL	Chairman of Nominations Committee and Vice Chairman of Governors Resigned December 2019	Board – co-opted
N, L	Mr CT Shorter CEng MIStructE FConsE FFB		Board – co-opted
F	Dr H J Pearson OBE, MA, PhD, CMath, FIMA	Resigned December 2019	Board – co-opted
E, N	Mr C D Barnett MA PGCE	Chairman of Education Committee and Vice Chairman of Governors Chairman of Nominations Committee, from January 2020	Board – co-opted
L,N, E	Rev R L Cotton MA Dip Th	Chairman of Lanesborough Committee	Bishop of Guildford
F	Mr D J Counsell FCA		Board – co-opted
E	Professor SC Price MSc PhD FBTS ERT FHEA		University of Surrey
E	Dr L S K Linton MA MB ChB MRCP		Staff: RGS and LPS
E	Mr NEJ Vineall QC MA		Board – co-opted
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F	Mr J D Fairley BA		Board – co-opted
F	Mrs H Styche-Patel BSc, MBA		Board co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
F	Mr PW Fell BA FCA		Board – co-opted
F,L	Mrs JA Stott BSc (Hons)		Royal Grammar School Parents' Association
L	Ms N Nelson-Smith		Guildford Borough Council
F	Mrs M-L Logue		Lanesborough Parents' Association
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
	Cllr R Billington, Mayor of Guildford	Resigned May 2020	Ex Officio
L	Mrs K Atkinson	Appointed July 2020	Board – co-opted
F L E N	Members of the Finance and General Purposes Committee Lanesborough Committee Members of the Education Committee (formerly the Academic Committee) Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary & Treasurer	Mrs CM Perceval BSc	
	The Head (Lanesborough)	Mrs CMA Turnbull MEd	

Registered Office	High Street, Guildford Surrey GU1 3BB
Principal Bankers	National Westminster Bank Plc Guildford Commercial Office PO Box 1, 2nd Floor G3 2 Cathedral Hill Guildford Surrey GU1 3ZR
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Solicitors	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR
Common Investment Fund Managers	COIF Charity Funds CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ

RGS and Lanesborough presents its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31 July 2020 and confirms that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2015.

DIRECTORS' REPORT

THE STATUS OF THE SCHOOL

RGS and Lanesborough ('The School') is a company registered by guarantee incorporated in England and Wales, company number 10874615. It is also a registered charity, registered charity number 1177353. This company was incorporated in July 2017 and on 1 August 2018 all undertakings of King Edward VIs Grammar School (The Royal Grammar School) were transferred to RGS and Lanesborough.

The company RGS and Lanesborough is a subsidiary of 1509 Group which is the sole shareholder of the School, company number 4104101 and charity number 1084866. The name of this company was changed to 1509 Group on 1 August 2018 and was previously known as The Royal Grammar School, Guildford.

The School is a single entity operating as two individually registered schools, the Royal Grammar School, Guildford ('the RGS'), and Lanesborough Preparatory School ('Lanesborough').

As a result of its special relationship with the Cathedral (Lanesborough is the Choir School) and with the Bishop of Guildford nominating a Governor, the Trustee applied to the Secretary of State for both the RGS and Lanesborough to be designated as 'Schools with a Religious Character'. Designation was granted by Statutory Instrument on 15 April 2005.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for the two schools. Details of the members of the Governing Body, together with the School's officers and principal advisers, are given on pages 1-2.

The Governing Body is self-appointing. New Governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The Governors are aware of The Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the School applies the principles of the code within its current Governance arrangements.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential Governors and their induction. New Governors are provided with the opportunity to view the schools, provided with relevant background material about the School and the role of a charity trustee and provided with an experienced Governor as a mentor during first year of appointment. Opportunities are provided to attend school events that may give insight into the working of the schools and appropriate training courses are offered to Governors. Particular attention is given to the identification of suitable courses for new Governors. During the year Governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee (formerly the Academic Committee) to oversee curricular and educational matters; the Lanesborough Committee to oversee all matters pertaining to Lanesborough; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr C Barnett
Lanesborough Committee	Rev RL Cotton
Finance and General Purposes Committee	Mr PG Peel
Nominations Committee	HHJ Critchlow to December 2019 Mr C Barnett from January 2020

The Chief Operating Officer oversees the general business operations of the schools and in particular focuses on the long-term building programme, international developments and wider business opportunities, with the day to day running of the schools delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit the best possible staff in all areas. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group (previously named The Royal Grammar School, Guildford Limited) is the holding company which retains control of RGS and Lanesborough and all other subsidiaries. The 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), which works to promote, provide for and raise funds for the School. The Foundation is a charitable company (company number 4232306 and charity number 1089955) and is also a subsidiary of 1509 Group. Considering the financial and non-financial benefit provided by the Foundation, the School has agreed to provide operational resources for the Foundation free of charge.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

Engagement with Employees and Employee Interests

<u>Taking care of our people</u>

The directors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The school reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount importance, particularly at this difficult time, and mechanisms are in place to support staff and colleagues. This ranges from regular catch up sessions with line managers, staff social events and school wide events to support from the school counsellor, school nurse and HR manager.

Communication

Regular updates, meetings and briefings are provided to staff on the day to day operations of the organisations as well as sharing high level changes within the organisation as these arise. Financial updates are provided to staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the schools or the sector.

Staff observers are invited to attend the full board of directors' meetings, so they are aware of the high level issues being discussed.

Strategy groups meet regularly to determine the future direction of a range of areas within the school and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits

Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development

There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained as coaches and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety

There is a health and safety policy group which covers the whole organisation, with a committee for each school. These committees are formed of a range of staff within each school and focus on the immediate needs they have. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A new, full time health and safety manager position has been created to ensure that adequate time and resource is devoted to this area. A huge amount of work was undertaken to ensure the safety of staff and pupils when the schools reopened after the Covid-19 related school closures. The risk assessments and procedures were shared with all staff and their input gathered for any additional measures to be put in place. All staff were sent a return to work questionnaire to determine if they had individual issues about returning and, where appropriate, additional measures or adaptations were put in place.

Diversity and Inclusion

The directors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies are non-discriminatory that all appointments are made solely on the basis of merit. It is part of our ethos that that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in any form. We will continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party has been formed to review and seek to further improve the School's performance in this area on an ongoing basis.

Stakeholder Relations

As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The directors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. Both schools are inspected by the Independent Schools Inspectorate and this covers compliance of a range of regulatory matters as well as the educational provision for pupils. The financial operations of the school are independently audited each year and other audits and regulatory inspections happen on a regular basis. There are a wide range of policies for staff which set out what is expected from Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct.

The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The charity is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE VALUES AND AIMS OF THE SCHOOL

The object of the School, as described in its charity commission scheme and the company's objects, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The aims of the RGS are:

- Academic opportunity
- Sustainability
- Wellbeing
- Widening Access

In pursuit of these aims, the RGS holds and promotes the following values:

- Inclusivity: we inherently believe in widening access and in educating local boys in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.
- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where individuals approach life with humour and perspective in a community where traditional qualities of decency, politeness and humility are celebrated.

- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Tenacity: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all boys, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Service: we collaborate with others, both single-sex and co-educational partners, for mutual enrichment, and encourage a spirit of altruism and charity, a sense of perspective, and a firm belief that we can work in partnership with other to make a difference, locally and internationally.

At Lanesborough the aims of the school are to be:

- a school where boys are happy within a supportive and caring community.
- a school where we aspire to fulfil the potential of every boy's learning.
- a school where we aspire to fulfil the potential of every boy in art, drama, music, sport and extra-curricular activities.
- a school where boys are able to express their opinions with confidence and good manners.
- a school where success is valued and rewarded.
- a school where we are partners with parents in the education of the boys.

And are embodied in the Lanesborough learning habits of:

- Reflection – I review my learning experiences in order to progress.
- Risk Taking – I am willing to take on challenges with courage and responsibility.
- Perseverance – I keep trying when faced with challenges.
- Engagement – I listen actively and respond positively.
- Independence – I use my initiative to develop my own learning.

The Directors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Directors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Directors' objectives for the School are established to deliver a wide-ranging, high quality education to boys from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work at the RGS and Lanesborough. This is achieved through the Education Committee and Lanesborough Committee plus a programme of Governor visits.

Recent completion of the third phase of a long-term building development plan ('BDP') and the significant extension and remodelling of the existing buildings at the RGS, alongside major investment in Lanesborough facilities over the past 5 years, has improved delivery of teaching and learning and transformed the physical environment of the two schools.

A pilot programme, which made laptops a requirement for some year groups, and the infrastructure to support this approach to teaching and learning, which had commenced pre-lockdown, was rapidly extended to support quality remote education during the period of lockdown. The School's strategy around this has allowed it respond rapidly and successfully to a changed environment for delivery of education and to continue to use this to mitigate against future disturbances and changes.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The Royal Grammar School

The last inspection by the Independent Schools Inspectorate was a thorough review of all aspects of life at the RGS and was overwhelmingly positive. The report, which can be accessed in full, from the ISI website, assessed the quality of achievement and learning as exceptional. Every other area assessed was also awarded the highest possible grade. Other areas assessed were the contribution of teaching, the contribution of curricular and co-curricular provision, the arrangements for personal care, the quality of pupils' personal development, and the quality of governance, leadership and management.

The inspection report also captured the essence of the school and the boys. The Inspection report included comments such as: "Pupils are extremely loyal to the school and proud to be part of it"; "The pastoral care [leads] to exemplary standards of behaviour and open, warm relationships"; "Mutual respect for the views of others is common"; "Pupils are friendly and at ease in one another's company"; "Excellent interaction takes place between pupils of all age groups"; and "[Pupils] are consistently polite and courteous".

In addition, the RGS underwent a scheduled ISI Regulatory Compliance Inspection in October 2017 and was deemed to be fully compliant in all regulatory areas.

With unprecedented disruption to the boys' education due to the pandemic, remote teaching and learning was established from March 2020 for the rest of the academic year. With formal public examinations cancelled at both A Level and GCSE, centre assessed grades (CAGs) were used to determine the boys' grades. Our results were broadly in line with the official standardisation models and reflected the distribution of grades we would have normally expected to see based on patterns of RGS results in recent years. The professionalism and integrity of the teaching staff allowed us to make robust, realistic predictions which allowed our students to secure places on some of the most competitive courses at the leading universities in the country. Our GCSE students achieved grades which allowed them to pursue their chosen subjects at A Level and to continue to harbour the most ambitious of aspirations.

At A Level, the most common grade achieved by our students was the A*, followed closely by the A grade; in total, 323 A*/A grades were secured. 75 boys achieved a clean set of A* and A grades, 16 of whom gained a perfect set of A* grades.

At GCSE, the most common grade achieved by our students was the gold-standard grade 9; in total 709 grade 9s were achieved. In addition, 349 grade 8s were also secured by this highly able cohort. A remarkable 53 boys achieved a clean sweep of grades 8 and 9: the equivalent to a perfect set of A* grades; 12 boys gained 10 or more grade 9s.

Boys were also successful in achieving **university** places:

- Of a talented cohort, 18 students received offers from Cambridge and Oxford Universities.
- In the last five years 278 students have received offers from Durham University.
- Last year 83% of all accepted offers were to Russell Group Universities with a further 8% to Bath University.
- In the last 10 years, RGS boys have received 325 offers from Oxford and Cambridge Universities.
- This year, RGS boys have been accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering.

A full and varied extra-curricular programme provided the springboard for diverse achievement and experience. The following provides a very brief and selective overview:

- The **Volunteering** Fair at the beginning of the academic year provided the inspiration for active involvement by boys of all ages and staff in a succession of local and community initiatives.
- Over £36,000 was raised for **charity** during the year, with £18,000 raised during lockdown alone, as the School continued to adhere to its value of service to make a difference to others, with fundraising from the small scale – cake and doughnut sales, mufti and House charity events – to the grand scale – Charity Day, the Great RGS Bake Off, Sleep Out, Charity Run, Photography Competition, Christmas Fair, Fashion Show and Comedy Night.
- The School continued to nurture and establish **partnerships** with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective.
- Academic, adventurous, cultural and sporting **trips** were restricted due to the pandemic; however, local trips continued to take place, wherever possible, to enrich the learning experience.
- A significant number of boys achieved national or international **sporting recognition** from the mainstream sports to badminton, chess, fencing, ice hockey, sailing, skiing and speed skating, including an outstanding year in shooting.
- From the **Arts'** perspective, concerts, plays and exhibitions of breath-taking quality were experienced by parents, residents and the wider community: these occurred both offline as well as online, during the lockdown period. Lockdown performances included stunning music concerts recorded individually in homes throughout Surrey and beyond, and then knitted together for broadcast.
- The philosophy of **Sport for All** was very much in evidence throughout the year as over 20 teams regularly played competitive fixtures against other schools on a Saturday. Even during lockdown, a structured programme of strength and conditioning, aerobic and physical fitness opportunities was maintained. This included weekly sporting challenges, remote Games and PE sessions, and remote fixtures against other schools which involved students of all year groups having timed athletic challenges where the cumulative scores were then compared with other schools.
- RGS boys enjoyed **national profile** in the Model United Nations, Young Enterprise, Science Olympiads, debating, national essay and engineering competitions. In the latter part of the year, a number of these events moved online including the inaugural virtual Model United Nations conference held by Wycombe Abbey, at which RGS delegates enjoyed considerable success.

<u>Lanesborough Preparatory School</u>

Lanesborough underwent its most recent comprehensive, cyclical review by the Independent Schools Inspectorate in late 2019 and received an emphatically positive report. The report, in full, can be accessed on the ISI website. The quality of achievement and learning, along with all other areas, was deemed exceptional - the highest possible grade.

The Inspection report included comments such as: "Pupils develop excellent artistic and musical skills as they move through the school". "Pupils improve their knowledge, skills and understanding at an increasing rate as they move through the school". "They have strong communication skills, using a rich vocabulary for their age". "The school very successfully achieves its aim to be a supportive and caring community; pupils thrive and are happy and demonstrate the school's values of empathy and confidence". "Self-reflection is at the core of pupils' approach to their work in all areas". "All pupils develop a strong social awareness and evince a deep loyalty to what they invariably describe as "our school".

In addition, Lanesborough underwent a scheduled ISI Regulatory Compliance Inspection in November 2019 and was deemed to be fully compliant in all regulatory areas.

Lanesborough has had a successful year academically despite the Coronavirus pandemic. From April 2020, our boys worked remotely using Microsoft Teams and the online learning platform Showbie. Our last Year 8s left at the end of July 2020 having had a fantastic final year and our Year 6s enjoyed more leadership opportunities, as well as leadership training during the first two terms. Among the many highlights of the year are the following:

- 9 scholarships were awarded for their senior schools in the full range of Art, Music, Sport and Academic.
- Year 8 boys passed Common Entrance into their chosen senior school.
- 17 distinctions were achieved in ABRSM exams.

- 5 boys achieved gold in the UK Junior Mathematics Challenge.

Sport continues to be a very important part of life at Lanesborough. This year the boys competed against other schools in squash, which is a first for the school for some time. We also offered more competitive football fixtures to our Pre-Prep boys. We continued to employ 2 Sports Apprentices and add to the number of qualified and specialist sports staff.

Music, as always, plays a huge part in the life of Lanesborough. There has been a further increase in the number of instruments available for boys to learn – and this, in turn, has increased the number and quality of the ensembles available. Various concert trips were arranged to include GLive and a day at the opera for Year 8. Every half-term, we continued our Informal Concerts with the boys showcasing their talents. During the period of remote learning, the boys performed in virtual concerts.
Drama, through specialist teaching in both Pre-Prep and Prep, continues to grow. Our Pre-Prep boys all performed with great confidence in their Nativity and our Year 6's put on a Christmas Show to the school with a spoof based on James Bond. The boys visited various theatre productions including an exciting version of *The Lion, the Witch and the Wardrobe* at the Bridge theatre in London. Drama Club and Theatre bugs are very popular extracurricular activities. Philosophy Club, coding, science, Warhammer, chess as well as sport, music and art, all feature prominently in the Clubs provision.

Take up for Breakfast and After School Care has continued to increase and this is a clearly a valuable service for the parents.

As always, the boys very much look forward to the annual residential trips, enjoying the excitement and challenge of being away from home. The last Year 8 trip to Spain took place in October half-term 2019. In February 2020, Year 6 went to France and Belgium to learn about World War I. Every summer term the boys in Years 3 – 8 come off curriculum for a week to take part in an Activities Week which involves residential trips, day excursions and project work. However, this year, we were unable to do so due to the pandemic. Instead we had virtual events or trips. For example, the boys created a marble run and had a virtual theatre trip. We also had several quizzes and games, for example a "Guess the Baby" competition and a "Through the Keyhole" quiz.

The boys continue to support a wide range of charities, both local and international including Children in Need, Save the Children, the Phyllis Tuckwell Hospice, and MacMillan Cancer (with over £700 being raised when the Year 6 boys hosted the World's Biggest Coffee Morning). Charities supported are chosen by the boys.

Lanesborough School supports a strong values system which is in place to support the personal, social and spiritual development of every pupil throughout the school. One value is focussed on each month chosen from a variety of selected values rotated on a 2-year cycle e.g. fairness, respect, courage, ambition. This continues to be one of the underpinning features of the School.

Lanesborough is supported by a wonderful and very active Parents' Association, which organises many exciting events to raise money for the school. The Christmas Fair was a highlight before the pandemic and it was wonderful seeing all the boys buying presents for their loved ones.

Our yearly Prize Giving events are highlights of our year when we can share and celebrate the numerous and varied achievements of all the boys at Lanesborough. It is a wonderful occasion shared with the school, parents, Governors and VIPs. This year we had our first virtual event, which was very successful and was an opportunity to say farewell to our headteacher, Clare Turnbull after 13 happy and successful years of her leadership.

Public benefit

The main beneficiaries of the School's work are boys aged 3 to 18 attending its schools. Governors have given due consideration to the Charities Commission guidance on Public Benefit guidance under Charities Act 2011 when considering activities in this area.

Governors wish the School's education to be widely available and so bursary applications are welcomed from families who could not otherwise afford to send their son to the School. Support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees are also considered.

In the year, 74 boys benefitted from bursary funding of £1 million. Within this are 26 boys who received full fee remission for at least one term.

In addition to bursaries, the School gives opportunities to pupils of local schools to share the School's expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- Increasing links are being made with other local schools via the shared development of teacher CPD, the provision of revision sessions and academic support in a local senior school, and the membership of local educational partnerships. For example:

- The School is an associate member of a local MAT, the Guildford Education Partnership (GEP). The Headmaster of RGS is a GEP Trustee, with the RGS Bursar a member of Sandfield Primary School GLAC, and the RGS HR Manager a member of Loseley Fields Primary School GLAC. Some RGS staff are deployed to teach in GEP schools: Physics staff provided weekly tuition for Y11 Kings College pupils and French lessons for Y5&6 were provided at Sandfield Primary School; and, at Secondary level, Science Staff provided a programme of revision lessons for Y13 Biology, Chemistry, Physics at Fullbrook School. The Enquiring Teacher Programme which facilitates the sharing of research between teachers is a flagship partnership programme and is jointly led and administrated with the GEP schools. An RGS MFL teacher provided Spanish subject knowledge enhancement CPD for GEP teachers throughout the year and this continued online during lockdown.

- Several RGS Staff also act as governors or trustees at other schools or organisations.

- As part of our partnership with the GEP, the School continued to support specifically a local Secondary School (Kings College). The School provided weekly Physics lessons specifically aimed at Y11 Gifted and Talented pupils, Maths extension lessons for Y9 pupils, Maths revision lessons for Y11 pupils, and additional English sessions to provide stretch and challenge in English literature.

- During lockdown, the RGS community also supported Kings College by organising a Devices for Kings scheme to enable families to donate surplus laptops, tablets and desktops to Kings to enable their pupils to engage with remote learning. Over 50 devices were donated, which combined with Kings' own efforts, meant that all pupils had a device to access remote education.

- The GEP MAT is increasingly working closely with the Athena Schools Trust, another local MAT, and the RGS have also improved our links with Athena. An RGS Deputy Head is a governor at Guildford County School. A Chemistry teacher helped provide cover teaching due to a long-term absence at Guildford County School from March-July 2021; This started in person with Y10, Y11 and Y13, and then moved to remote provision for Y10 throughout lockdown.

- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other educational providers and sharing of provision. Royal Grammar School staff contribute to the Steering Group, the Teaching and Learning Group, and the Examinations Officers Group. During the last year, RGS launched a new innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). Unfortunately, the full range of planned programmes did not occur due to lockdown, but before March two very successful events were held at two local schools – A Shout Out UK Politics event at St Peters' School and a Children's Business Fair Entrepreneur event at Kings College.

There are also significant Outreach programmes for Primary and Secondary pupils. For example:

- The RGS Strings Scheme teaches all year 4 pupils in three Guildford primary schools (St Thomas', Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Over 200 pupils now take part in the scheme each week. There are also annual platforms for performance at the primary school, the Royal Grammar School, and also alongside the Southern Pro Musica orchestra on stage at a local concert venue. This scheme is only possible due to the generous support of our principal donors: The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS) and Southern Pro Musica Orchestra. The 'Strictly Strings Orchestra' for continuers hosted at the RGS allows approximately 30 graduates of the string Schemes to continue to play in an orchestra to complement their individual tuition. This orchestra is generously funded by Southern Pro Musica and The Mila Trust. The scheme continued despite the trials of lockdown and swiftly adapted to remote provision. The School uploaded over 40 short videos online to help Year 4 pupils continue with their learning. Once it became clear that pupils would not be returning to school until September, the organisers offered all pupils free one-to-one Zoom lessons with their teacher of choice and have since delivered 75 hours of tuition remotely.

- Additionally, funds donated by the Southern Pro Musica orchestra, which are usually used to run whole day samba workshops at three local Primary schools (Sandfield, Guildford Grove and Loseley Fields), were used to provide remote teaching for all pupils at these schools using online Inspire Works Cajun tutorials.

- The RGS Primary Masterclasses were hosted over four weeks during November as usual. In 2019, 124 children from 32 local primary schools and 28 members of teaching staff took part, along with over 20 RGS boys volunteering their time on Saturday mornings. The emphasis of the classes is on stimulation, discovery and enjoyment. The classes are aimed at able pupils who are judged to have potential and interest, as well as enthusiasm and persistence. Pupils have the opportunity to attend sessions on Design and Technology, Creative Arts, Mathematics, Science, Modern Languages and, new this year, Humanities. This Humanities Stream included classes on Politics, where the children ran a mock election, RS/Philosophy discussed the topic of Humanity, Geography explored Global Inequality via a trading game and History explored what it means to be British.
  "My son has loved the Masterclasses. They have given him the opportunity to see how education can be taught in a challenging but fun way and broaden his mind to the topics covered."
  "I enjoyed doing experiments that we wouldn't normally do in school, like the explosions we did, and I enjoyed learning about DNA, I enjoyed having access to equipment like microscopes."
  "I enjoyed learning new things and recognising what I was capable of."

- During the 2019-20 year, The RGS welcomed around 600 pupils from local Primary schools to take part in a Tudor Experience Day during the Michaelmas and Lent terms. The aim is to build on their knowledge of the Tudor period and develop a greater understanding of life at that time. Pupils learn about the history of the school in Tudor times, visit the Chained Library and enjoy sessions on Tudor art, music, weapons and finish by making a movie of their day. There was only one cancellation at the end of the Lent term due to the outbreak of Covid-19 and we look forward to welcoming the Primary schools back soon.

- Each week, via the Activities and General Studies programmes, Sixth Form students, accompanied by RGS staff, provide afterschool clubs for local Primary schools, covering Maths, Chess, and Technology. One Group of pupils also visited the local Abbott's Hospital to take oral histories of residents.

- At secondary school level, pupils from other local schools are invited to attend many a varied event each year; for example: Classics, Geography, Politics and Science Society lectures, Careers Seminars, Guildford Maths lecture, public art events, drama and music performances, author visits etc. Support is also given to pupils from other schools for preparation with Oxbridge and medical school interviews as well as more general university application advice by a range of departments.

- At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Nepal and Cambodia where staff and pupils visit from the UK. Unfortunately, planned expeditions in 2020 had to be cancelled due to the Covid pandemic.

- School facilities are made available to other members of the community free of charge, and halls have been used for a Christmas Fayre, the AWTA has been used for youth football and for the first time this year the MCC used the sports hall and cricket nets to provide coaching to state school pupils free of charge – the RGS donated our facility and met all associated security costs. The school has been the venue for the local Classics and Geographical Society meetings, and provided a rehearsal space for the Chantry Singers. During the summer, RGS also hosted Camp Beaumont – a multi-activity camp for Primary children – 10 places were provided for free to deprived pupils at local Primary schools.

- Lanesborough provides work experience for students from local schools, where and when possible, as well as accepting gap year students to work on projects where needed. Former pupils are also welcomed back to assist with sports days and events.

- Two apprenticeships are also being supported in the sports department of Lanesborough.

- Two Lanesborough staff members also served as Governors at State schools.

During Lockdown, a number of new initiatives were developed in response to the situation. The following is a summary of these lockdown-specific activities:

- **Kings Device Donation:** The RGS community donated unwanted laptops, tablets and desktops for Kings to deploy with their pupils to support remote learning. Over 60 devices were donated. The Kings Headteacher, Mr McKenzie, and his staff were overwhelmed by the generosity of strangers and commented: "I cannot over-emphasise how much of a difference they will make to families…and my certainty in the kindness of people grows ever stronger."
- **The Great Guildford County School Food Drop:** The RGS community supported Guildford County School, working with the Guildford Salvation Army, to collect food and other essentials which they delivered to families in need.
- **PPE:** The Head of Technology designed and made face visors using the RGS laser cutters. The design was based on the Kitronic specification. We provided the visors free of charge to any organisations or individuals who were unable to get the PPE they need such as care homes, pharmacists, key workers and volunteers supporting others. Over 400 free visors were supplied to twenty-five different organisations A Y9 pupil supported by staff, made 'no-touch tools' and attachments using his 3D printer in his garage in response to a request by the owner of a care home for use by staff. The tools enable staff to open doors and press buttons without touching them with their hands.
- **String Scheme:** As previously mentioned, the RGS String Schemes, in partnership with The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS) & Southern Pro Musica (SPM), continued to provide violin and cello tuition to over 200 pupils at St Thomas', Sandfield and Boxgrove primary schools via online videos and coordinated a remote end of year joint concert.
- **World Music:** RGS Head of Strings, with backing from SPM, has also arranged for Inspire Works to deliver an online samba project with pupils at Loseley Fields and Guildford Grove primary schools.
- **Remote music performances:** During half term, the RGS Head of Keyboards, Head of Strings and five RGS pupils recorded performances at school for several remote musical endeavours in conjunction with Southern Pro Musica (SPM) orchestra for distribution to key workers.
- **Volunteering:** RGS Head of Volunteering re-established some connections with the organisations which our Sixth Form pupils visit during P8 as part of the P8 Volunteering programme. It was heartening to hear that a L6th pupil had recorded several piano pieces to be shared with the residents of Seeability Denecroft. Several junior boys also made Easter cards for the residents of all the care homes we usually visit. Additionally, nine pupils from Y7 to L6th recorded music performances and personal messages to send to local care home residents. We received some touching messages of thanks from staff at our partner care homes; Pilgrim's Wood even hosted a special tea party 'concert' for all their residents and staff.

- **Chemistry:** As mentioned above, before the school shut down, an RGS Chemistry teacher was acting as a cover teacher at Guildford County School teaching Chemistry to Y10, 11 and 13 pupils following a member of their staff being on long-term sick leave. Following lockdown, he used the expertise developed at the RGS to continue teaching the Guildford County pupils remotely to ensure that they did not fall behind in their studies. The Chemistry department has also electronically shared resources designed to stretch and challenge Sixth Form pupils with Fullbrook School.
- **IT Department:** RGS Head of IT supported by the whole IT team published all of the IT guides and 'how to' videos to anyone via the RGS website.
- **Charity:** During lockdown, remote events raised funds of over £18,000 for the nominated School charities.

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company's employees
3. The need to foster the Company's business relationships with suppliers, beneficiaries and others
4. The impact of the Company's operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company

Beneficiaries

The beneficiaries of the organisation are the pupils and the Directors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings The values and aims of the school and **achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.
The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the directors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors' report

In light of the Covid-19 pandemic, extensive measures have been put in place to optimise the safety of pupils and staff, whether they are working remotely or are in school. All relevant guidelines have been followed and detailed risk assessments undertaken, all of which remain under regular review.

Community and Environment

The schools are at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of directors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors' report, each committee has a specific focus, but considers the overall impact of decisions on the wider organisation. Since March 2020, the impact of the Covid-19 situation has been regularly and frequently shared with the directors, who are fully aware of the measures being put in place to manage this whilst continuing to provide the best education for the pupils and ensuring the safety and wellbeing of staff and pupils alike.

Culture and Values

The values of each school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a new legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by RGS & Lanesborough is included in the table below:

	Gas	Electricity	Transport	Total
kWh	1,637,475	1,039,759	81,991	2,759,225
Mileage			68,900	68,900
KgCO2e	301,082	242,409	20,963	564,454
tCO2e	301	242	21	564

UK energy use covers all educational and ancillary activities across the School.

Associated Greenhouse gases have been calculated using 2020 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For RGS & Lanesborough we have used the average number of pupils over the year as the relevant operational driver. **In 2019/20 1,298 pupils accounted for emissions of on average 435 kgCo2e each**. This metric will be calculated annually and compared against previous years.

As part of a rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- Light fittings are replaced with energy efficient LED devices with motion detectors where possible
- Some windows and doors replaced with more energy efficient versions
- Washrooms were fitted with water saving cisterns and restricted flow water outlets
- Where required, boilers were replaced with energy efficient models
- Loft insulation and boarding was installed

FINANCIAL REVIEW

Results for the year

The School considers it a successful outcome that, in a year of significant disruption to education and to the local and national economy and way of life, it has been possible to deliver a breakeven result on net movement in funds for the year, whilst continuing to deliver an outstanding educational offering to its pupils. The School's net income and capital inflow totalled £23k from £23.5m total income. The School also generated a cash surplus which was sufficient to cover planned annual investment in its facilities and to support partial repayment of loan financing of the Schools' long-term buildings development plan.

Total income includes investment income of £14k (2019: £16k) and also £300K (2019: £219k) of donations.

With effect from March 2020 the School buildings and sites were closed to pupils, other than children of key workers, and remained so for almost all of the Trinity term. A remission in fees of between 10% and 30%, depending on year group, was extended to all fee payers for this term, in recognition of the change in provision and the prevailing exceptional circumstances. Alongside the School's regular bursary programme, hardship bursary support was extended to six families, with the generous support of donors and current parents.

To mitigate the reduction in fee income, the School availed of government support available through the Covid Job Retention Scheme for those staff members whose roles could not be fulfilled while the majority of pupils remained offsite. Other cost efficiencies were also sought and achieved, in addition to the rescheduling of loan repayments to ensure that sufficient cash reserves were maintained to cover obligations as they fell due.

The operational and economic impact of the Covid-19 outbreak continues to emerge and evolve. Nonetheless demand for the School remains high and it is thought likely that pupil numbers will be maintained in the foreseeable future. Whilst some provision has been made for bad debts, collection of fee income has been more positive than possible scenarios which were planned for. The Directors have considered the impact of the ongoing pandemic on the School's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability.

The vast majority of the School's funds are held in the form of the buildings and physical assets of the School. At year end the School reports total funds of £37.2m (2019: £37.2m) which includes £192k of unspent restricted income (2019: £210k). Net current assets – broadly equivalent to liquid reserves- of £2.1m were held at the end of the year (2019: £1.6m)

The School seeks to carry sufficient but not significant levels of free reserves for contingency purposes. During the year, and in particular during the period affected by the Covid-19 outbreak, the level of liquid reserves was adequate to meet commitments as they fell due, without recourse to additional borrowing.

Since the year end the School continues to be impacted by the coronavirus and a number of measures have been taken to ensure operations can continue and to ensure sufficient financial resources are in place to meet the day to day needs of the School. Both schools fully reopened in September 2020 with a record number of pupils on roll at the RGS. All students are now required to equip themselves with laptops which can support remote learning. Blended in-class and remote learning is offered to support both those students who attend in person each day and the small number required to work away from school, in the current circumstances. Full remote learning is ready to be rolled out should this prove necessary. We anticipate that our existing fee income will continue but also anticipate that there may be some delay in collection of this income.

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. This includes the impact of coronavirus on operations together with assumptions around recovery thereafter. These scenarios consider reduced pupil numbers, delayed fee payment, potential bad debts as well as impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The School reviews its investment policy annually and adapts it if appropriate. The policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs) which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held as cash on behalf of Restricted funds will be credited with interest at the School's marginal borrowing rate
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the Schools.

The School's investments relate to restricted and prize funds. The performance of the funds has been in line with expectations. For more detailed information about the School's investments, please refer to note 7.

Fundraising

Fundraising for RGS funding priorities is exclusively carried out by the Royal Grammar School, Guildford Foundation Limited, which raises funds for bursaries. The costs of the Foundation are met entirely by the School. In addition, a small amount of volunteer fundraising is carried out by the Parents' Associations of both RGS and Lanesborough, and also by the boys themselves.

The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. As no professional organisations or commercial participators are currently used by the Foundation, no monitoring processes are required. The Foundation adheres to the Code of Fundraising Practice when undertaking fundraising activity and intends to voluntarily subscribe to the Fundraising Regulator in the next financial year. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances. There were no complaints received by the Foundation in respect of fundraising activity.

FUTURE PLANS

Each school's development plans were agreed by Governors and are subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community.
- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level.
- To enhance further the support for students' and staff welfare and personal development;
- To foster outstanding teaching and learning at the RGS and Lanesborough;

These plans underpin individual detailed development plans for each area, which will enhance the School's ability to provide an exceptional education.

In September 2020 Lanesborough moved to a school that finishes at Year 6 and is now a school for boys aged 3 – 11. It is planned that the number of pupils will remain the same, with larger year groups (with more classes) in the Prep Department.
As a result, Lanesborough becomes the leading boys only prep school to 11 in the county – with the most amazing resources and fabulous staff, retaining all the benefits of offering a broad, specialist based curriculum in the top part of the School and will continue to prepare boys for the range of excellent local schools in the area, the majority of which now offer an entry at 11.

The ongoing situation with regard to the pandemic is kept under constant review and plans continue to evolve as further guidance is received. Contingency planning is ongoing for a number of possible scenarios.

RISK MANAGEMENT

The Directors have examined the principal areas of the schools' operations and considered the major risks faced in each of these areas. Each of the two schools updates its risk assessment at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGS Education committee and the Lanesborough committee as appropriate before passing to the F&GP committee and the Board for discussion.

The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the school's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGS or Head of Lanesborough could detrimentally affect the schools' admissions and performance. The development of members of the senior team in each school and ongoing support of the governors will help reduce the impact of a change of Head.
- Uncertainties for the economy post Brexit could further affect parents' finances and could lead to increased debts to the school and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- Changes in the political climate could lead to the introduction of legislation that could lead to financial pressure on independent schools. The outcomes of policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.
- Incidence of a pandemic adversely impacting on the schools' ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Excellent remote teaching and learning capability was rolled out and enhanced by the school during the initial period of lockdown, significantly mitigating the risk of the schools being unable to deliver quality education. Special regular meetings of the Senior Management Teams of both schools are convened to address the emerging issues for Covid-19 on a day-by-day basis, with regular updates to directors, and performance against revised forecasts is reviewed regularly to monitor cash and resources. These continued throughout the Summer and remain ongoing in the following school year.

The School has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the School's day to day operations. The School regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:

Sarah Creedy
_____

8th December 2020

Mrs S K Creedy

Independent Auditor's Report to the Members of RGS and Lanesborough

Opinion

We have audited the financial statements of RGS and Lanesborough for the year ended 31 July 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors'' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date:

Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 July 2020

	Note	Unrestricted Funds		Restricted Funds	2019-2020 Total	2018-2019 Total
		£000	£	£000	£000	£000
Income from:						
Charitable Activities						
School fees receivable	2	21,415		0	21,415	21,523
Other educational income	3 (a)	1,112		0	1,112	1,520
Other ancillary trading income	3 (b)	271		0	271	153
Donations and Legacies						
Donations and Legacies		6		297	303	219
Investments						
Income from Investments		13		1	14	16
Other income	3 (c)	451		0	451	76
Total income		23,268		298	23,566	23,507
Expenditure on:						
Raising Funds						
Financing costs under Advance Fee contracts		3		0	3	3
Bank interest		101		0	101	117
Pension Commitment net financial Costs		5		0	5	24
Fundraising costs	4 (a)	109		0	109	144
Charitable activities						
Schools and grantmaking	4 (b)	21,798		316	22,114	22,226
Ancillary Trading	4 (b)	5		0	5	0
Total Expenditure		21,912		316	22,228	22,370
NET INCOMING FUNDS / (EXPENDITURE) FROM OPERATIONS BEFORE INVESTMENT GAINS		1,356		(18)	1,338	1,137
Net gains on investments		3		0	3	0
NET INCOME/(EXPENDITURE)		1,359		(18)	1,341	1,137
Pension Scheme actuarial losses	16 (iv)	(1,317)		0	(1,317)	(226)
NET MOVEMENT IN FUNDS FOR THE YEAR		42		(18)	24	911
Fund balances brought forward at 1 August 2019		36,969		210	37,179	36,268
FUND BALANCES carried forward at 31 July 2020		37,011		192	37,203	37,179

The School has no gains or losses that are not shown above. All operations are continuing

The accounting policies and notes on pages 24 to 43 form part of these Financial Statements

	Note		2020		2019
FIXED ASSETS		**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	6		40,391		41,823
Investment assets	7		162		158
			40,553		41,981
CURRENT ASSETS					
Stocks	8	62		65	
Debtors	9	919		977	
Cash		6,436		6,009	
		7,417		7,051	
CURRENT LIABILITIES					
Creditors payable within one year	10	(5,299)		(5,493)	
NET CURRENT ASSETS			2,118		1,558
TOTAL ASSETS LESS CURRENT LIABILITIES			42,671		43,539
LONG TERM LIABILITIES					
Creditors payable after one year	11		(3,646)		(5,860)
Pension Scheme Liabilities	16 (i)		(1,822)		(500)
TOTAL NET ASSETS			37,203		37,179
Represented by:	13				
			£		**£**
RESTRICTED FUNDS			192		210
UNRESTRICTED FUNDS					
Designated Funds		35,224		34,227	
General Funds		1,787		2,742	
UNRESTRICTED FUNDS			37,011		36,969
TOTAL FUNDS			37,203		37,179

Approved by the Board of RGS and Lanesborough, on 8 December 2020 and signed on behalf of the Company by:

Mrs S K Creedy) Board Member

Mr P G Peel) Board Member

The accounting policies and notes on pages 24 to 43 form part of these Financial Statements.

	Note	2020		2019	
NET CASH INFLOW FROM OPERATIONS		**£000**	**£**	**£000**	**£000**
Net cash provided by operating activities			3,290		5,559
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for tangible fixed assets	6	(370)		(2,169)	
Proceeds on sale of tangible fixed assets		20		2	
Investment income and bank interest received		14		16	
Net cash (used in) investing activities			(336)		(2,150)
Cash flows from financing activities:					
Finance costs paid		(2,527)		117	
Net cash provided by financing activities			(2,527)		117
Change in cash and cash equivalents in the reporting period			427		3,526
Cash and cash equivalents at 1st August 2019			6,009		2,483
Cash and cash equivalents at 31st July 2020			6,436		6,009

Net Cash Inflow from Operating Activities	**2020**	**2019**
Net incoming resources	1,338	1,137
Elimination of non-operating cash flows:		
- Investment income	(14)	(16)
- Finance costs	2,527	(117)
(Profit) on sale of fixed assets	(20)	(2)
Depreciation	1,800	1,652
Decrease/(increase) in stocks	3	(1)
Decrease/(increase) in debtors	58	(285)
(Decrease)/increase in creditors (excluding fees in advance scheme and deposit)	(2,443)	3,129
Defined benefit pension scheme adjustments	5	24
(Decrease) in fees in advance scheme creditors	(11)	(42)
Increase in parents' deposits	47	81
Net Cash Inflow from Operating Activities	3,290	5,560

Changes in Cash and Cash equivalents

Analysis of balances at 31 July	**Change in Year**	**2020**	**2019**
Cash	21	4	(17)
Cash Equivalents (Deposit < 3 months)	406	6,432	6,026
Changes in Cash and Cash equivalents from the School's operations	**427**	**6,436**	**6,009**

The accounting policies and notes on pages 24 to 43 form part of these Financial Statements.

ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the charity, in common with other businesses, remains unknown. Experience gained by the school in providing remote learning combined with strong performance in collection of fee income for the past two affected terms, provides more informed parameters for estimating the risk to the charity. As outlined in the Financial Review, the Directors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The charity currently holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at RGS & Lanesborough remains strong, with historically high numbers enrolled for the academic year 2020/21. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Directors believe the Schools' financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353 (2018: King Edward VI's Grammar School (The Royal Grammar School) Guildford, Charity Number 312028). It was registered as a charity on 19 July 2017 and its registered office is The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.
The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities - the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 16.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and
Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the Directors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by The School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the group are credited to school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Income from Government Grants

Government grant income received in the year – and specifically that received under the Coronavirus Job Retention Scheme – is reported under the heading Other Income and separately identified in the notes to the accounts. Such income has been recognised under the accrual model whereby grant income is recognised in the period in which the expense to which it relates was incurred.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Investments are shown at their fair values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted or restricted funds as appropriate and are accounted for in the SOFA.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £1,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	-	2% per annum on a straight line basis
Furniture & Fittings	-	15% per annum on a straight line basis
Computer Equipment	-	25% per annum on a straight line basis
Photocopiers	-	20% per annum on a straight line basis
Motor Vehicles	-	30% per annum on a reducing balance basis
Playing Field Equipment	-	12.5% per annum on a straight line basis
Leasehold Property	-	over the length of lease
Leasehold Improvements	-	over the length of lease
Major Refurbishment	-	4% per annum on a straight line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.
The School also contributes to the Surrey County Council Superannuation Fund, which is a defined benefit scheme for support staff, and is closed to new entrants from the School. The School has fully adopted FRS 102 and, in accordance with this the following elements are charged to the SOFA:

i. The service costs of pension provision relating to the year, together with the cost of any benefits relating to past service.

ii. The net finance cost represented by a charge equal to the increase in the present value of the Scheme liabilities and a credit equivalent to the long term expected return on assets.

iii. The actuarial gain or loss on the Scheme assets and liabilities.

The difference between the market value of assets of the Scheme and the present value of accrued pension liabilities is shown as a liability on the Balance Sheet.

Investments in funds are valued at bid price quoted by the investment manager at the Balance Sheet dates

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Scheme.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31st July 2020. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. The Royal Grammar School and Lanesborough School are treated as separate Schools for this purpose. Under FRS 102 this year all deposits are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity The School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates. The School registered for VAT from 18th November 2015, the charity formed a VAT group in May 2019.

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE	2020 £000	2019 £000
(a) The school's fee income receivable comprised:		
Gross fees	22,908	23,084
Less: Total bursaries, scholarships and discounts	(1,790)	(1,773)
	21,118	21,311
Add back: Bursaries paid for by Restricted/Designated Funds	297	212
	21,415	21,523

(b) Grants and awards paid for by Restricted/Designated Funds comprised	Restricted Funds £000	Unrestricted Funds £000	2020 £000	2019 £000
Bursaries for pupils	297	0	297	212

Bursaries were awarded from Restricted/Unrestricted Funds to 74 individuals (2019: 76).

3. CHARITABLE INCOME - OTHER

(a) Other educational income	2020 £000	2019 £000
Registration fees	49	45
Sundry parental receipts	1,000	1,464
Sub-lettings	63	11
	1,112	1,520

(b) Other ancillary trading income	2020 £000	2019 £000
Insurance commissions	0	15
Income from recharges to International Activities	271	138
Total for School	271	153

(c) Other incoming resources	Restricted Funds £000	Unrestricted Funds £000	2020 £000	2019 £000
Gains on sale of tangible fixed assets	0	20	20	2
Government Grant - Job Retention Scheme	0	261	261	0
Other	0	170	170	73
	0	451	451	75

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

(a) Cost of Generating Funds	Staff costs £000	Other £000	Depreciation £000	2020 Total £000	2019 Total £000
Finance costs	0	110	0	110	144
(b) Charitable activities					
Schools and grant making					
Teaching	12,037	1,601	297	13,935	14,277
Welfare	79	793	0	872	1,261
Premises	482	1,954	1,097	3,533	3,108
Support costs of schooling	2,113	958	406	3,477	3,369
Other ancillary costs	0	0	0	0	0
Donations, Grants, awards and prizes	0	297	0	297	212
School's operating costs	14,711	5,603	1,800	22,114	22,227
Ancillary trading costs	0	5	0	5	0
Total Charitable Expenditure	14,711	5,608	1,800	22,119	22,227
Total Resources Expended	14,711	5,718	1,800	22,229	22,371
(c) Governance costs included in support costs					
Auditors' remuneration *					
Current year charge	0	37	0	37	32
Prior year under-provision	0	7	0	7	0
Other services	0	8	0	8	34
Other direct costs	0	0	0	0	0
Trustees' costs **	0	4	0	4	5
Governance costs	0	56	0	56	71

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to training for Governors £467, the cost of Governor meetings £2,456 and subscriptions £760. There are 20 Governors who are directors of RGS and Lanesborough. There was no Trustee remuneration or expenses during the year.

5. EMPLOYEES

	Teaching £000	Other £000	2020 £000	2019 £000
Wages and salaries	8,843	2,120	10,963	10,956
Social security costs	979	211	1,190	1,145
Pension contributions	1,843	276	2,119	1,729
Other staff costs	372	68	440	479
	12,037	2,675	14,712	14,309

Average number of employees during the year	2020		2019 (Restated)	
	Full time	Part time	Full time	Part time
Teaching	135	39	135	43
Non Teaching	64	43	60	49
	199	82	195	92

The 2018/19 figures have been restated to reflect average monthly headcount in line with the requirements of FRS102.

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:	2020	2019
£60,000 - £70,000	27	26
£70,000 - £80,000	5	4
£80,000 - £90,000	2	2
£90,000 - £100,000	0	1
£100,000 - £110,000	2	1
£140,000 - £150,000	0	1
£150,000 - £160,000	1	0
£190,000 - £200,000	0	1
£200,000 - £210,000	1	0
	38	36

Pension contributions of £606,273 (2019 - £405,092) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £566,748 (2019 - £366,932) were made into a defined benefit pension scheme.

The aggregate employee-benefits of key management personnel (the Senior Management Teams of both schools) including employers' pension contributions and National Insurance total £2,132,947 (2019 - £2,094,677).

During the year there were no redundancy payments made (2019: £120,000).

No remuneration or expenses were paid to the Governors during 2020 (2019: £0).

6. Tangible fixed assets

Cost and depreciation

	Computer Equipment	Freehold Land and Buildings	Leasehold Property	Fixtures, Fittings and Property	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**
At beginning of year	1,453	49,534	2,129	3,533	56,649
Additions	62	109	0	199	370
Disposals	(323)	(71)	0	(15)	(409)
At end of year	1,192	49,572	2,129	3,717	56,610
Depreciation					
At beginning of year	764	10,974	1,095	1,994	14,827
Charge for the year	297	1,077	20	406	1,800
Eliminated on Disposal	(323)	(71)	0	(14)	(408)
At end of year	738	11,980	1,115	2,386	16,219
Net Book Value					
At end of year	454	37,592	1,014	1,331	40,391
At beginning of year	689	38,560	1,034	1,539	41,822

7. Investment assets

	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	52	0	52
Disposals	0	0	0
Unrealised gains	3	0	3
At end of year - (market value)	55	0	55
Cash at investment managers at beginning of year	0	106	106
Movement in year	0	1	1
At end of year - (market value)	0	107	107
At end of year - (market value)	55	107	162
At beginning of year - (market value)	52	106	158

Investments are held in Common Investment Funds (66%) and in cash.

8. Stocks

	2020 £000	2019 £000
Catering/cleaning stocks	15	14
School items for resale	47	51
Total stock	62	65

9. Debtors

	2020 £000	2019 £000
Fee debtors	195	116
Less Provision for bad debts	(75)	0
Amounts due from other Group companies	351	277
Other debtors and prepayments	448	584
Total debtors	919	977

10. Creditors: due within one year

	2020 £000	2019 £000
Bank loan (see below)	1,809	2,056
Obligations under Finance Leases	8	86
Trade and other creditors	780	865
Other taxes and social security	286	(15)
Amount due to Foundation	55	0
Accruals	299	342
Acceptance deposits	1,772	1,725
Fees received in advance	103	249
Advanced fees (see note 12)	187	185
Total creditors	5,299	5,493

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2020 have been included within current liabilities. The prior year acceptance deposits balance has been similarly represented.

11. Creditors: due after more than one year

	2020 £000	2019 £000
Bank loan (see below)	3,485	5,664
Obligations under Finance Leases	3	26
Acceptance deposits repayable after final term	0	0
Advanced fees (see note 12)	158	171
	3,646	5,861

The bank loans, totalling £5.29m (2019: £7.72m) are secured by charges on the freehold land and buildings of the school. There were two loans in existence at year end:

The older loan of £1.65m (2019: £1.8m). In August 2018 this loan was reclassified as an overdraft, and included in its entirety under Creditors: due within one year.

An additional loan dated 23rd August 2017 had a balance at the end of the year of £3.64m. The loan is split between £0.15m as a Creditor: due within one year and the balance due after more than one year. This loan was arranged to facilitate building work, with a total approved loan value of £6m. Repayments started in April 2019 and a lump sum repayment of £2m was made during 2019/20. The final repayment date is September 2024.

The bank loans are repayable:	2020 £000	2019 £000
After 5 years	0	0
Within 2 to 5	3,348	5,426
Within 1 to 2	137	238
After more than one year (Note 11)	3,485	5,664
Within one year (Note 10)	1,809	2,056
	5,294	7,720

The obligations under finance leases relate to photocopiers purchased for both RGS and Lanesborough.

The finance leases are payable:	2020 £000	2019 £000
After 5 years	0	0
Within 1 to 5	3	26
After more than one year (see above)	3	26
Within one year (see note 10)	8	86
	11	112

12. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2020 £000	2019 £000
After 5 years	0	0
Within 2 to 5 years	75	75
Within 1 to 2 years	83	96
After more than one year (see note 11)	158	171
Within one year (see note 10)	187	185
	345	356

The balance represents the accrued liability under the contracts. The movements during the year were:

	2020 £000	2019 £000
Balance at beginning of year	356	398
New contracts	231	137
Amounts accrued to contracts	4	3
	591	538
Amounts utilised:		
In payment of fees	(246)	(177)
Capital repayments	0	(5)
	(246)	(182)
Balance at end of year	345	356

13. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:

Restricted Funds within the School are mainly made up of the following:

- The Gieve Fund, which is the residue of a bequest held for the general benefit of choristers at Lanesborough School.
- The Bursary Fund which receives restricted bursary donations. All restricted bursary receipts during the year are expended on current year bursaries.
- Restricted Minor Ad Hoc funds include the OGA Magazine Fund, which is used for the production of the Old Guildfordian magazine, which is now under the auspices of the Development and Alumni Relations Office.

Major Unrestricted Funds:

Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less loans. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the year.

(a) The consolidated net assets at 31st July 2020 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	107	(1)	0	106
Bursaries		0	0	0	0	0
Ad hoc Minor Funds		0	0	86	0	86
Total Restricted Funds		0	107	85	0	192
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	40,391	0	(1,805)	(3,485)	35,101
Prize		0	55	4	0	60
Ad hoc Minor Funds		0	0	63	0	63
Total Designated Funds		40,391	55	(1,737)	(3,485)	35,224
School General/Capital Development		0	0	3,770	(161)	3,609
Pension Fund Liability		0	0	0	(1,822)	(1,822)
Total Unrestricted Funds		40,391	55	2,033	(5,468)	37,011
Total Funds		40,391	162	2,118	(5,468)	37,203

1. The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.
The net current assets/(liabilities) of the funds reflect the following indebtedness between the unrestricted and the restricted funds.

(b) Restricted funds: movements in the year

	Balance at 31 July 2019 £000	Investment income £000	Investment gains £000	Transfers/ Net Income £000	Grants and allocations £000	Balance at 31 July 2020 £000
Bursary fund	1	0	0	297	(297)	1
Gieve fund	105	1	0	0	0	106
Ad hoc funds	104	0	0	0	(19)	85
Total Restricted funds	210	1	0	297	(316)	192

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2019 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2020 £000
Designated funds						
Tangible Net Fixed Asset	34,103	0	0	998	0	35,101
Prize	60	0	0	0	0	60
Ad hoc funds	63	0	0	0	0	63
Total Designated funds	34,226	0	0	998	(0)	35,224
Not designated						
School General/ Capital Development fund	3,242	13	3	345	6	3,609
Pension Fund Liability	(500)	0	0	(1,322)	0	(1,822)
Total Unrestricted Funds	36,968	13	3	21	6	37,011

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
Transfer of general reserves to Designated Tangible Net Asset Fund	998	(998)	
	£998	£(998)	£0

Comparative Allocation of charity net assets

(a) The consolidated net assets at 31st July 2019 are held for the various funds and advanced fees as follows:

Restricted		Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Gieve		0	106	(1)	0	105
Bursaries		0	0	1	0	1
Ad hoc Minor Funds		0	0	104	0	104
Total Restricted Funds		0	106	104	0	210
Unrestricted - designated funds						
Tangible Net Fixed Asset Fund	[1]	41,823	0	(2,056)	(5,664)	34,103
Prize		0	52	8	0	60
Ad hoc Minor Funds		0	0	63	0	63
Total Designated Funds		41,823	52	(1,984)	(5,664)	34,227
School General/Capital Development		0	0	3,438	(696)	2,742
Total Unrestricted Funds		41,823	52	1,454	(6,360)	36,969
Total Funds		41,823	158	1,558	(6,360)	37,179

[1] The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

The net current assets/(liabilities) of the funds reflect the following indebtedness between the unrestricted and the restricted funds.

	At 31 July 2019 £000	At 31 July 2018 £000
Current account balances	104	116

The current account balance is interest free and no terms have been agreed for its repayment.

(b) Restricted funds: movements in the year

	Balance at 31 July 2018 £000	Investment income £000	Investment gains £000	Transfers/Net Income £000	Grants and allocations £000	Balance at 31 July 2019 £000
Bursary fund	1	0	0	212	(212)	1
Gieve fund	104	0	0	0	0	104
Ad hoc funds	117	0	0	0	(13)	104
Total Restricted funds	222	0	0	212	(225)	210

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2018 £000	Investment income £000	Investment gains £000	Transfers/ Net income £000	Donations £000	Balance at 31 July 2019 £000
Designated funds						
Tangible Net Fixed Asset	35,930	0	0	(1,827)	0	34,103
Designated Bursary	0	0	0	0	0	0
Prize	59	1	0	0	0	60
Ad hoc funds	56	0	0	0	7	63
Total Designated funds	36,045	1	0	(1,827)	7	34,226
Not designated						
School General/Capital Development	0	15	0	2,727	0	2,742
Total Unrestricted Funds	36,045	16	0	900	7	36,968

14. Operating Leases

As at 31st July 2020, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	**2020 £000**	**2019 £000**
Under 1 year	124	124
More than 1 year and less than 5 years	176	176
Greater than 5 years	0	0
	300	300

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2020 were £124,200 (2019 - £124,200).

15. Capital Commitments

At 31st July 2020 there were no capital works authorised but not provided for in these Accounts (2019 - £0).

16. Pension Obligations

The School operates four pension schemes:

a. A defined benefit scheme for teaching staff, the Teachers' Pension Scheme (England and Wales)("the TPS"), which is administered by the Department for Education and Skills.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in April 2019, confirmed that the employer contribution rate for the TPS will increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%, increasing to 23.68%.

This employer rate will be payable until the outcome of the next actuarial valuation, which will be based on data as at 31 March 2020 and implemented in April 2023.

The pension charge for the year includes contributions payable to the TPS of £1,843,181 (2018/2019 - £1,281,940). At the year end £0 (2018/2019 - £0) was accrued in respect of contributions to this scheme.

b. A defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme, which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. The scheme is valued every three years by a professionally qualified actuary using the projected unit actuarial method, the rates of contribution payable being determined by the actuary. Because the scheme is now closed to new entrants within the School the current service cost will increase as members of the scheme approach retirement. The latest FRS 102 valuation was based on the formal assessment at 31 March 2019 projecting the results of that valuation forward to 31st July 2020 using approximate methods. The scheme was closed to new entrants in 2006.

Rates of contribution have been set to meet 100% of the liabilities arising in respect of service after the valuation date over the average expected future membership period of the active members pertaining to each employer to reflect the shortfall of the value of each participating employer's notional share of the fund's assets compared with 100% of its accrued liabilities allowing, in the case of members in service, for further pay increases. Additional charges arose from April 2011 to cover part of the deficit and the employer contribution rate has also increased from this time. The charge for the year was £58,938 (2018/19 - £132,846). At the year end £0 (2018/19 - £0) was accrued in respect of contributions to this scheme. From August 2017 additional annual contributions decreased to £37,172 per annum, with employer contributions levied at 32.6%. From April 2020 the additional annual contributions increased to £114,000 per annum, with employer contributions levied at 43.6%. Employee rates vary between 5.5% and 8.5%.

As required by FRS 102 provision has been made in the financial statements to incorporate the school's portion of the deficit attributed to it.

		2020 £000	2019 £000
i)	**Amounts recognised in the balance sheet are as follows:**		
	Present value of obligations	7,572	6,788
	Fair value of plan assets	5,750	6,288
	Net liability	(1,822)	(500)

ii)	**Changes in the present value of the scheme obligations:**	2020 £000	2019 £000
	Opening defined benefit obligation	6,788	6,203
	Service cost	114	185
	Interest cost	142	168
	Employee contributions	11	28
	Actuarial loss (excluding assets)	737	390
	Benefits paid	(220)	(186)
	Defined benefit obligations at the end of the year	7,572	6,788

iii)	**Changes in the fair value of the scheme assets are as follows:**	2020 £000	2019 £000
	Opening fair value of scheme assets	6,288	5,953
	Expected return	131	161
	Actuarial (loss)/gain	(580)	164
	Employer contributions	120	168
	Employee contributions	11	28
	Benefits paid	(220)	(186)
	Fair value of scheme assets at the end of the year	5,750	6,288

iv)	**The amounts included in the Statement of Financial Activities are as follows:**	2020 £000	2019 £000
	Expected return on scheme assets	(131)	(161)
	Interest on pension liabilities	142	168
	Current service cost	114	185
	Total Amount Charged to the Statement of Financial Activities	125	192
	Net actuarial (losses) recognised in the year	(1,317)	(226)

The School expects to contribute £128,000 to the scheme in 2020/21.

v) **Reconciliation of movements in Present Value of Plan Liabilities and Assets**

	2020 £000	2019 £000
Net liability at 1st August 2019	500	250
Movements in the year:		
Employer's current service cost	114	185
Employer's contribution	(120)	(168)
Expected return on plan assets	(131)	(161)
Actuarial return less expected return on plan assets	580	(164)
Interest on pension liabilities	142	168
Changes in assumptions underlying the plan liabilities	737	390
Net liability at 31st July 2020	1,822	500

vi) **The major categories of scheme assets as a percentage of total scheme assets are as follows:**

	2020 %	2019 %
Equities	71	72
Fixed Interest	18	17
Cash and Other	8	3
Property	3	8

The overall expected rate of return on the scheme assets is determined by reference to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

	2020 £000	2019 £000
Expected return on the scheme assets in the year	131	161

vi) **Principal assumptions at the balance sheet date (expressed as weighted averages):**

	2020 %	2019 %
CPI	2.2	2.5
Discount rate	1.3	2.1
Rate of increase in salaries	3.1	2.8
Expected return on scheme assets at 31st July	2.3	2.3
Assumed life expectations on retirement at age 65:		
Retiring today - males	22.1	21.6
Retiring today - females	24.3	23.6
Retiring in 20 years - males	22.9	22.5
Retiring in 20 years - females	25.7	25.0

c. A defined contribution scheme for non-teaching staff appointed in recent years - the Prudential TUC Stakeholder Pension Scheme. The assets for the Scheme are held separately from those of the School. The charge for the year was £56,015 (2018/19 - £57,833). At the year end £0 (2018/19 - £0) was accrued in respect of contributions to this scheme. The scheme is now closed to new entrants as it does not fulfil auto enrolment requirements.

d. A new defined contribution scheme for non-teaching staff in line with auto enrolment guidance issued by the Pensions Regulator - the Standard Life Pension Scheme. The assets for the Scheme are held separately from those of the School, and are managed by a multi asset investing team. The charge for the year was £181,923 (2018/19 - £103,640). At the year end £0 (2018/19 - £0) was accrued in respect of contributions to this scheme.

17. Analysis of Net Funds/(Debt)

	As at 31 July 2019 £000	Cash Flow £000	As at 31 July 2020 £000
Net cash balances	6,009	427	6,436
Creditors: due within one year			
Finance leases	(86)	78	(8)
Loans	(2,056)	247	(1,809)
Advance Fee agreements	(185)	(2)	(187)
Creditors: due after more than one year			
Finance leases	(26)	23	(3)
Loans	(5,664)	2,179	(3,485)
Advance Fee agreements	(171)	13	(158)
	(2,179)	2,965	786

18. Related party transactions

1509 Group, registered charity number 1084866, company number 4104101, is the parent company of the School, and all other companies in the group. The School is the sole voting member of the Foundation (The Royal Grammar School, Guildford Foundation), registered charity number 1089955, company number 4232306. The RGS Guildford International Ltd, company number 09633181, was incorporated on 10th June 2015, and is a subsidiary of 1509 Group. On 19 June 2018 RGS Guildford International (Dubai) Ltd, company number 11422203 was incorporated and on 15 July 2019 RGS Guildford International (China) Ltd, company number 12104378, was incorporated. Both of these companies are subsidiaries of 1509 Group.

During the year RGS and Lanesborough School charged the RGS Guildford International Ltd £91,499 (2019 - £44,850) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £104,522 (2019 - £91,756).

During the year RGS and Lanesborough School charged the RGS Guildford International (Dubai) Ltd £91,699 (2019 - £89,701) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £95,498 (2019 - £176,187).

During the year RGS and Lanesborough School charged the RGS Guildford International (China) Ltd £91,499 relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £95,284.

The Foundation transferred £309,750 of donations to the school for the year (2019: £192,900). The Foundation's costs of £239,786 (2019: £252,018), for both fundraising and alumni work were covered by the School during the year. At the end of the year the Foundation owed the School £48,363 (2019: Foundation owed the School £5,825). The School made a transfer to the Foundation of £55,000 in 2020 (2019: £0) for the Foundation's Enduring Bursary Fund.

During the year there were no donations from the Governors to RGS and LPS.

19. Control

The 1509 Group, registered charity number 1084866, company number 4104101, is the holding company of the School, and the ultimate parent company of the group. The group accounts are available from 1509 Group registered office, at The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

20. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31st July 2019	Unrestricted General	Unrestricted Designated	Restricted	Funds Total
	£	£	£	£
Income from Charitable Activities				
School Fees	21,523			21,523
Other educational income	1,520			1,520
Other ancillary trading income	153			153
Incoming Resources from Generated Funds				
Donations and Legacies				
Donations and legacies	0	7	212	219
Investments				
Income from Investments	15	1	0	16
Other Income	76			76
Total Income	23,287	8	212	23,507
Expenditure on Raising Funds				
Financing costs under advance fee contracts	3			3
Bank interest	117			117
Pension Commitment net financial costs	24			24
	144			144
Expenditure on Charitable activities				
Schools and grant making	22,002		225	22,227
Ancillary Trading	0			0
Total Expenditure	22,146	0	225	22,371
NET INCOMING/(OUTGOING) RESOURCES BEFORE INVESTMENT GAINS	1,141	8	(13)	1,136
Net gains/(losses) on investments	0	0	0	0
NET INCOME/(EXPENDITURE)	1,141	8	(13)	1,136
Transfers between funds				0
Actuarial gain/(losses) on Defined Benefit Pension Scheme	(226)			(226)
NET MOVEMENT IN FUNDS FOR THE YEAR	915	8	(13)	910
Fund balances at 1 August 2018	0	36,046	222	36,268
FUND BALANCES at 31 July 2019	915	36,054	209	37,179