



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

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Surrey GU1 3BB

Principal Bankers

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Auditors & Tax Advisors

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10 Queen Street Place
London EC4R 1AG

Principal Solicitors

Moore Barlow LLP
The Oriel
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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 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	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

RGSG 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 RGS 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.
- RGS 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 Wars' 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 concerts 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.

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	KgCO ₂ e	tCO ₂ e
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

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

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
		£000	£000
NET CASH INFLOW FROM OPERATIONS			
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

	Change in	2023	2022
Analysis of balances at 31 July	Year	£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.

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

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
	<u>1,173</u>	<u>1,045</u>
 (b) Other ancillary trading income	 2023 £000	 2022 £000
Income from recharges to International Activities	275	214
Total for School	<u>275</u>	<u>214</u>
 (c) Other income	 2023 £000	 2022 £000
Gains on sale of tangible fixed assets	6	7
Other	439	266
	<u>445</u>	<u>273</u>

4. ANALYSIS OF EXPENDITURE

	Staff costs £000	Other £000	Depreciation £000	2023 Total £000	2022 Total £000
(a) Cost of Raising Funds					
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

	Staff costs £000	Other £000	Depreciation £000	2022 Total £000	2021 Total £000
(a) Cost of Raising Funds					
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					
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 £000	Other £000	2023 £000	2022 £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
	<u>13,566</u>	<u>3,050</u>	<u>16,616</u>	<u>15,597</u>

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
	<u>203</u>	<u>86</u>	<u>201</u>	<u>89</u>

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
	<u>58</u>	<u>46</u>

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 £000	Freehold Land and Buildings £000	Leasehold Property £000	Fixtures, Fittings and Property £000	Total £000
Cost					
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	<u>1,744</u>	<u>50,192</u>	<u>2,129</u>	<u>4,251</u>	<u>58,316</u>
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	<u>1,326</u>	<u>15,097</u>	<u>1,201</u>	<u>3,320</u>	<u>20,944</u>
Net Book Value					
At end of year	<u>418</u>	<u>35,095</u>	<u>928</u>	<u>931</u>	<u>37,372</u>
At beginning of year	<u>150</u>	<u>35,566</u>	<u>975</u>	<u>1,402</u>	<u>38,093</u>

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	2022
	£000	£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	2022
	£000	£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 within 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	2022
	£000	£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	2022
	£000	£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:

	Buildings and Equipment £000	Investments £000	Net current Assets/Liabilities £000	Long Term Liabilities £000	Total £000
Restricted					
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	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
	<hr/> 8,350	<hr/> 5,172
Assets	6,596	5,916
Surplus/(Deficit)	<hr/> (1,754)	<hr/> 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:	£000	£000
Life expectancy from age 65 years		
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)	
		<hr/> (2,498)
Surplus/(deficit) at 31st July 2022 and 31st July 2023		<hr/> (1,754)
v) The amounts included in the Statement of Financial Activities are as follows:	2023 £000	2022 £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)
	<u>5,224</u>	<u>(365)</u>	<u>1,747</u>	<u>6,606</u>

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 Enterprises 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		Restricted £000	Funds Total £000
	General £000	Designated £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