

**ROYAL ALEXANDRA AND ALBERT SCHOOL  
REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**REGISTERED CHARITY NO: 311945**

# **ROYAL ALEXANDRA AND ALBERT SCHOOL**

## **CONTENTS**

	Page(s)
Report of the Trustees	2-18
Independent Auditors' Report	19-23
Consolidated Statement of Financial Activities	24-25
Balance Sheet	26
Consolidated Cash Flow Statement	27
Notes to the Financial Statements	28-52
Reference and Administrative Details	53-57

# **ROYAL ALEXANDRA AND ALBERT SCHOOL**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021**

The Board of Management presents its annual report and the consolidated audited financial statements for the year ended 31 August 2021 and confirms they comply with the requirements of the Royal Alexandra and Albert School Act 1949, the Charities Act 2011, and United Kingdom Generally Accepted Accounting Practice comprising FRS 102 and the Charities SORP 2015 (FRS 102). In preparing these financial statements the Trustees confirm that they have had regard to the Charity Commission guidance on public benefit in the Charities Act 2011.

The reference and administrative details set out on pages 53 to 57 form part of this report.

### **CHAIRMAN'S STATEMENT**

#### **Foundationers**

As is well known, the object of the Foundation is to support those children who are without one or both parents or whose special circumstances mean that they would otherwise benefit from a boarding education and to bring them up according to protestant principles. Currently there are 97 Foundationers on the School Roll and the Foundation continues to work with other charities to increase the number of pupils that it can support at the School. The Board considers, however, that such numbers should be limited such that supported pupils have as normal a school experience as possible and are able to fit in seamlessly with other pupils at the school and that there is no perception by such other pupils that the school is anything other than a normal state boarding school. Thus although separate records are kept of the performance of the Foundationer cohort they are treated as any other member of the school. Any perception that the behaviour or attainment of Foundationer pupils is in any way inferior has been proved to be false. In the last academic year Foundationer attainment at GCSE and A level was in effect one grade higher than that which could have been expected nationally for disadvantaged Children, thus providing tangible evidence for the impact of the work of the Foundation.

#### **COVID 19**

The continuance of the pandemic resulted in the School being closed for most of the Spring Term. This resulted in a loss to the Foundation of some £1.3 million in boarding charges and a curtailment of the Co-Curricular offer and the ability of Flexi-boarders to take up their entitlement to stay overnight at the School. Foundation staff continued to be placed under strain by the modified operating mechanics necessitated by Covid and I would like to pay tribute to their fortitude during this period. Covid remains an issue in the current academic year and it is far from clear whether the results of the Foundation will be adversely affected this year.

#### **Finances**

The Foundation recorded a surplus of £1,033,516 for the year ended 31<sup>st</sup> August 2021. Whilst this compares very favourably with the deficit of £986,396 in the previous financial year, some £1.7 million of this amount is attributable to unrealised gains in the investment portfolio following the general improved performance in world stock markets.

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **Ground Source Heat Pump Project**

The project is now largely complete and was finished on time and within budget. Some teething problems inevitably remain but it is anticipated that these will soon be resolved.

#### **Gloucester House**

We had planned to undertake a refurbishment of Gloucester House over the Summer. It soon became clear that a shortage of building materials would have risked the project not being complete by the start of the current academic year. Accordingly the decision was taken to postpone the project until this year when it is hoped that supply problems will have been resolved.

#### **Swimming Pool**

The swimming pool was effectively closed for last year, mainly as a consequence of Covid, but also because its plant had become obsolete and was incompatible with the Ground Source Heat Pump Project. Accordingly the opportunity was taken to refurbish the pool which reopened at the beginning of the Autumn term

#### **Mark Dixon**

Mark Dixon left the employment of the Foundation as of 30<sup>th</sup> April 2021 and Mrs Rea Mitchell assumed the role of Acting Head for the rest of the academic year. Henceforward it has been agreed that the headteacher of the School will no longer be employed by the Foundation but that the School should assume full responsibility for their employment. Pending the appointment of a new head an arrangement has been entered into with South East Surrey Schools Education Trust to provide an interim executive headteacher (David Blow) and an interim headteacher (James Malley) to run the school until a new head can take up office. I should like to commend both David and James for the manner in which they have embraced the affairs of the Foundation and particularly their recent work with supporting charities.

#### **Foundation Staff**

During the year James Taylor was appointed as Estates Bursar and the Foundation has already benefitted from his considerable expertise. At the end of the Academic Year Peter Dawson retired as Bursar and Foundation Secretary and was replaced by Liz Lowe. I would like to thank Peter for his contribution over the last few years, in particular for masterminding the Gatton Hall refurbishment, the Ground Source Heat Pump Project and the Rank Weston refurbishment. I am delighted to say that we have not lost the services of Peter altogether as he has kindly agreed to stay on as Foundation Director on a temporary basis to supervise those affairs of the Foundation that were formerly line-managed by the Head.



## ROYAL ALEXANDRA AND ALBERT SCHOOL

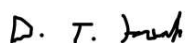
### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

#### Christina Foord

Christina indicated to me a while ago that she would like to step down from the Board of Management and following the appointment of David Blow and James Malley referred to earlier, during which Christina played a most helpful role, she tendered her resignation. I would like to thank her for all the advice that she has given whilst on the Board.

#### Governance Review

During the year the Board and the Governing Body of the School commissioned National Governance Association to undertake a governance review of the Foundation, the Governing Body of the School and their interrelationship. The review concluded that there needed to be more separation between the affairs of the Foundation and the Governing Body of the School with the Foundation focusing more on its charitable objectives and the Governing Body of the School assuming more apparent responsibility for the running of the School. It found that the roles of the Board and the Governing Body had become confused with the Board being perceived arguably to interfere too much in affairs which were properly the preserve of the Governing Body. Work is currently underway to consider NGA's recommendations and to refocus both the Board and the Governing Body. At the same time there will be a detailed consideration of the Charity Governance Code with a view to bringing the operations of the Foundation more into line with the operations of a modern charity.



David Frank

Chairman

7 December 2021

# **ROYAL ALEXANDRA AND ALBERT SCHOOL**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

### **BACKGROUND**

The Royal Alexandra and Albert School was founded in 1758 and re-incorporated as an educational charity in 1949 under the Royal Alexandra and Albert School Act (12 & 13 Geo 6 c.xviii) “the 1949 Act” and amendments thereto. Throughout this report the charity is referred to as “the Foundation”, the name by which it is commonly known.

The 1949 Act amalgamated the then Royal Alexandra School and Royal Albert School, made provisions for the amalgamation of the property and funds of the two schools, incorporated a management structure, and defined the objects of the new school. The main objects, laid down by the Act, are:

- To establish and maintain a boarding school for boys and girls who are without one or both parents or whose special circumstances make it desirable that they should go to a boarding school.
- To bring up the boys and girls in the school upon Protestant principles and to have them educated under arrangements provided by the statutory education authority.

The arrangements since the original incorporation evolved over the decades such that the Foundation funds the boarding facilities and pastoral care with the education being provided by the Voluntary Aided School, Royal Alexandra and Albert School (“the School”), a state funded maintained school. The Foundation owns the land and buildings in which the School is located and appoints the majority of the School’s governors. The Foundation’s Board of Management has delegated the day to day management of boarding to the School’s Governing Body.

### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT**

The core purpose of the Foundation is to accommodate and educate “Foundationers”. These are pupils who would benefit from a boarding education and whose parents or guardians are unable to afford such boarding charges. Generally, Foundationers have lost one or both parents, have a chronically ill parent, have been abandoned or abused or the parent can no longer meet their daily needs. Approximately 10% of the available boarding places are reserved for Foundationers.

Bursaries are given to fund or part fund boarding charges for Foundationers. All awards are means tested and range from full costs to more modest amounts, depending upon the circumstances of the child. Most of the Foundation’s awards are made in conjunction with other trusts and benevolent funds; we are grateful for the continuing support of many institutions, in particular: BMTA Trust, Buttle Trust, Emmott Foundation, Reedham Trust, Royal National Children’s SpringBoard Foundation, Royal Pinner School Foundation, St Marylebone Educational Foundation, Thornton-Smith and Plevins Trusts and Anonymous Donors. A number of pupils’ boarding charges are also funded wholly or partly by Local Education Authorities.

The Foundation aims to provide the School with an environment in which all its pupils, including the Foundationers, will achieve their full academic, social and spiritual potential in order to become valued members of society. In order to achieve this, the Foundation seeks to ensure the provision of first-class educational facilities, high quality boarding accommodation and an excellent range of co-curricular activities.

## ROYAL ALEXANDRA AND ALBERT SCHOOL

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

#### OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT (continued)

Boarding fees are charged in respect of the provision and use of boarding accommodation, pastoral care, food and co-curricular programme. The termly boarding charges for the last two years were:

	Academic year 2020/21	Academic year 2019/20
	£	£
Boarding	5,250	5,250
Flexi boarding – secondary	1,980	1,980
Flexi boarding – junior	1,450	1,450

Grants are provided to the School by the Foundation. Such grants are paid from unrestricted donations, investment income or property income. The annual grant is paid primarily to enable the School to have smaller classes, to provide additional support to Foundationers and for occasional special projects.

The Foundation and School are situated in the heart of an historic landscape created by ‘Capability’ Brown. The Foundation has established a subsidiary charity to be responsible for the restoration and conservation of the historic parkland in which it is located both for the benefit of the general public and for the advancement of education including that of pupils at the School.

The key elements of the Foundation’s strategy for the current financial year were:

- to continue to increase the number of Foundationers
- to continue the programme of capital investment to improve the educational facilities and boarding accommodation
- to continue to provide grant finance to the School to provide smaller classes and improved educational facilities to benefit the Foundationers and other pupils
- to support the School in order that it can continue to:
  - provide a broad and evolving curriculum and co-curriculum for the benefit and development of all pupils
  - achieve positive value added
  - work towards expanding the Sixth Form to 250 pupils with 125 in each of Years 12 and 13, including some 125 boarders
  - be a Christian caring community respecting all religious values and none
- to continue the improvements to the parkland and to extend access to our pupils and to visitors to the park for both educational and leisure purposes
- to fundraise both to support Foundationers and to fund capital projects
- to recruit suitable new members to the Board of Management and Governing Body

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT (continued)**

The Foundation measures the success of its strategy through:

- the number of Foundationers being supported
- the number of pupils attending the School (both boarders and flexi boarders)
- the Foundationer results achieved with particular emphasis being given to the value added achieved rather than the absolute results
- the number of Foundationers leaving for an appropriate career or tertiary education
- funds raised both to support Foundationers and for capital projects
- the number of visitors to the park
- the number of volunteer hours
- the Board of Management and Governing Body attracting people of a wide and appropriate range of skills and experience

The performance against these measures is commented on throughout this report.

#### **A REVIEW OF OUR ACHIEVEMENTS AND PERFORMANCE**

Those who benefited from the Charity's work were:

- 106 pupils and their families supported by the Foundation, other charities and Local Authorities (September 2019: 90)
- 136 Ministry of Defence funded boarders (September 2019: 137)
- other pupils attending the school, including a growing Sixth Form of 206 pupils (September 2019: 193)
- visitors to the historic buildings and parkland
- school children from other schools who visit the parkland for educational and other purposes
- the local community who visit the grounds
- community groups who use the school facilities
- our volunteers

#### **BURSARIES**

At the beginning of the academic year, 100 (September 2019: 90) pupils were supported by the Foundation, other charities and local authorities. At September 2020, the Foundation supported 67 (September 2019: 59) boarding pupils with bursaries and continued working with the Heads of local primary schools in Merstham (the third most deprived ward in Surrey) to identify pupils who would benefit from flexi-boarding. As at September 2020, 33 (September 2019: 31) such pupils were being supported.

In addition to the bursaries granted, the Headmaster remits boarding charges in cases of occasional hardship. At September 2020, 7 pupils (September 2019: 21) benefited from Headmaster remissions.

The value of means tested bursaries and Headmaster remission in the year amounted to £772,804 (2019/20: £642,016) and represented 8.3% (2019/20: 7.5%) of gross fees. A number of pupils in receipt of bursaries also received pocket money bursaries, uniform bursaries and assistance with both UK and overseas school trips and the cost of music and riding lessons.

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **BURSARIES (continued)**

Starting this year, the school offers scholarships to full boarder pupils who are high achievers in music and sport. Leadership scholarships have also been available to Sixth Form applicants since last year. During the year, the school awarded 28 scholarships together worth a total of £32,012 (2019/20: 14 scholarships worth £19,013).

#### **FOUNDATIONER EDUCATION**

Completing a Sixth Form course during a pandemic is a challenge, but the hard work of students at the Royal Alexandra and Albert School was rewarded this year. 83% of all A Levels taken by our KS5 Foundationers were graded A\* to B, and 100% were graded A\* to C. All of these pupils accepted a place at university. One Foundationer achieved A\* in four subjects and was awarded a scholarship to study at Williams College, Massachusetts. One Foundationer did not take A Levels, but instead achieved all passes on a blended academic and vocational pathway and chose to pursue an apprenticeship.

84% of all GCSEs taken by our KS4 Foundationers were graded 4 or above, and 25% were graded 7 or above. 79% of KS4 Foundationers passed all English, Maths and Science subjects with at least a grade 4, which is a fantastic achievement for disadvantaged pupils. All Foundationers stayed in higher education, with 12 staying at our Sixth Form, 6 continuing at other colleges and 1 accepting a place at the BRIT School, the UK's leading Performing and Creative Arts school.

The key value-added measure in education is Progress 8 which seeks to measure the progress pupils make from age 11 to 16 years of age. The national average is zero so a positive score highlights that the school is adding above average value. The Government has not published Progress 8 data for the past two years. However comparing the GCSE average point score between 2021 and 2019 suggests our score is between +0.4 to +0.5 (2019: +0.44).

The School prides itself on offering an inclusive all-round education with a curriculum that extends beyond the classroom. The Foundation provides an extensive co-curricular programme forming part of the everyday experience for pupils. Activities begin at 4pm and, dependent on the activity, can finish anywhere between 5pm and 9pm. The range of activities on offer is wide, and designed to appeal to pupils of all ages and tastes. The Foundation has its own indoor swimming pool and riding stables, as well as grass pitches, floodlit netball courts, astroturf pitch and sprints track.

Due to COVID-19 restrictions, pupils had a reduced co-curriculum programme this year with limits on group size and types of activity that could run safely. The programme was at its fullest in Summer 21, and 59% of Foundationers attended at least one club (73% excluding exam years 11 and 13). After the year end, the School has returned to a full co-curricular programme. In Autumn 21, 85% of Foundationers have attended at least one club.

In addition to the co-curricular programme, the Foundation pays for all Foundationers to go on educational school trips, and on recreational trips up to a set limit each year. The Foundation will also fund riding lessons or music lessons for pupils where it is considered beneficial to their all-round education. During the year, the Foundation paid for 10 Foundationers to take riding lessons and for 28 Foundationers to take music lessons.

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **SCHOOL GRANT**

The grant paid to the School in the year to 31 August 2021 amounted to £264,183 (2020: £12,326).

#### **PROPERTY MATTERS AND BUILDING DEVELOPMENT**

All property assets are held in the Foundation Fund. The Foundation Fund charged a rental for the year ended 31 August 2021 of £1,794,781 (2019/20: £1,791,199) to the Boarding Fund in respect of the usage of the boarding estate. The rental charge is calculated on a basis of current market property yields, and is accounted for as a transfer between funds.

#### **GSHP Project**

The Estates team have continued to be extremely busy this year completing the installation of a new Ground and Water Source Heat Pump (GSHP) system. The new GSHP system is believed to be the largest such project in the UK. By Spring Term, 11 out of the 13 planned plant rooms were fully operational. The plant room for the main school went live in April 2021, and the final plant room for the swimming pool in August 2021.

The Foundation has applied for Government backed financial incentives available through the Renewable Heat Incentive (RHI) for all of its plant rooms. Since March 2020, the government has announced successive reductions in the benefits of the RHI scheme. The Foundation applied for tariff guarantees in March 2020 meaning that all our project as identified above will be subject to the pre-reduction rates. The expected RHI funding receivable over 20 years is £7.3m.

The GSHP Project is being funded by a 20-year green energy loan facility from Lloyds Bank which will be repaid from fuel savings, together with RHI funding. Further details of the loan facilities are given in note 15 to the financial statements. Within 20 years the project is expected to have saved 15 million litres of heating oil.

#### **Boarding House Refurbishment**

A full refurbishment of Gloucester House was planned for Summer 2021. However due to unprecedented industry-wide material shortages and inflated costs, the works had to be significantly scaled back. Works were limited to the areas of greatest need, being staff flats and external works, and the replacement of some furniture. The Foundation aims to complete a full refurbishment of Gloucester House by the end of next year.

#### **Swimming Pool**

The pool has been out of commission for most of the year, initially closed due to a failed heat exchanger. The Foundation decided on examination of the aging pool plant to replace some of the equipment with better technology and to also refurbish the overall look of the pool building. The most significant element of the project has been the installation of a new air handling system which is a more energy efficient air recycling system. Energy efficiency was also improved through insulation works to the ceiling. The pool was reopened in September 2021.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### FUNDRAISING, DONATIONS AND LEGACIES

The Charity is a public benefit entity. Throughout our long existence as a charity we have received constant and generous support from our subscribers and regular donors. Under our constitution all persons who make significant contributions are entitled to become members of the Court of Governors (the equivalent of shareholders) with power to appoint the Board of Management.

A number of regular small donations were received from the donors who give primarily to support Foundationers.

### FINANCIAL REVIEW

Net surplus for the year ended 31 August 2021 was £1,033,516 (2020: £986,396 deficit). The surplus is largely driven by the recovery of our investment portfolio following the pandemic, recognising an unrealised gain of £1.7m.

The Foundation has suffered further financial loss due to the global pandemic, having to close the School for most of the Spring Term, and reduce fees for flexi boarders where overnight stays could not be offered. The total cost of school fees refunded to parents was £1.3m. Last year the Summer term school closure cost the Foundation £1.6m in fees.

Fee reductions remain the key driver of financial loss as costs remain broadly similar to the prior year. Although cost savings were made during the school closure, these were offset by additional costs this year from the refurbishment of the swimming pool and Gloucester House. The Foundation was able to recover some of the cost of employees' wages through the government's Coronavirus Job Retention Scheme, the total claim for the year being £139,566 (2020: £408,955).

Other educational income continues to be derived from educational lets and riding income. Property income comprises income from Gatton Park Lettings Limited. These income streams have also taken significant hits due to the pandemic, with no lettings booked for the Spring term and only one in the Summer, usually the busiest times of year.

### Investment returns

Foundationers are principally funded through the investment income generated by the investment portfolio. The table below indicates the quarterly return on investments achieved by Investec Wealth & Investment Limited ("Investec") for each of the quarters ended within the period ended 30 September 2021 and compares the actual return with the benchmark.

	2020	2021	2021	2021
Quarterly	Dec	Mar	Jun	Sept
Actual return	8.3%	1.5%	6.3%	1.2%
Benchmark return	9.1%	3.3%	5.6%	1.9%

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **FINANCIAL REVIEW (continued)**

Investec's annual performance return of 18.2% return has lagged behind the benchmark performance of 21.4%. Although markets are starting to recover from the global pandemic there have been additional difficulties arising, particularly a recent rise in wholesale energy prices caused by a shortage in natural gas supply. The annualised performance over 3 years has recovered from last year, increasing to 8.0% compared with a bench mark of 6.3%. This level of performance remains comfortably above the long-term objective of CPI + 4%.

#### **Balance sheet**

Of the £1.8m fixed asset additions in the year, £1.6m related to the Ground Source Heating project. The project was completed in Summer 2021, and £4.5m was transferred to Land & Buildings to start depreciating. The total capital cost of the GSHP project included in Land & Buildings is £5.3m.

Net current assets increased by £2.58m over the year, driven by drawing down the full £5.1m loan facility as detailed in note 15. £2m of unutilised loan facility has been transferred into a short-term deposit account, and is intended to cover any future cash shortfalls where the Foundation no longer has an overdraft facility.

Following on from the defined benefit pension scheme valuation under FRS102, the pension scheme surplus of £749,000 has not been recognised as it is considered a contingent asset.

As a result of the surplus for the year, total net assets increased to £35.1m.

#### **PLANS FOR FUTURE PERIODS**

The Board is keen to continue to develop a number of aspects of the School in order to be better able to fulfil the charitable objectives of the Foundation.

The Ethos and Values of the School on which the future strategy is then based continue to be:

- The School should offer an outstanding holistic education (academic, co-curricular and pastoral). The main role of the School is to prepare its pupils for life in the outside world, and pupils should leave ready to take their place in it without the necessity of further education.
- The School is fully comprehensive, non-elitist and non-selective, apart from a degree of suitability selection in the Sixth Form.
- The School is to have a boarding culture with a target number of full time boarders of around 50% of the full complement. It is a boarding school, not a day school with some boarding.
- The School should have a maximum size of 1,150 and should be co-educational throughout.
- Around 10% of the pupil base should be Foundationers.
- The School should be an instiller of moral values, setting yardsticks for the behaviour expected of its pupil base and alumni.



## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **PLANS FOR FUTURE PERIODS (continued)**

The Board of Management's objectives remained consistent with the prior year. The key objectives and a summary of the progress over the past years are:

- To increase and maintain pupil numbers, particularly boarders and the Sixth Form:
  - Target number of boarders is 500 (September 2021: 497, September 2020: 501)
  - Target number of Sixth Formers is 250 (September 2021: 217, September 2020: 206)
- To improve pupil retention
- To increase revenue and cash generated in order to make further investment in the School facilities
- Where possible to reduce costs: While the pupil numbers are growing there is an upward pressure on resources to support a growing number of pupils. The biggest item of expenditure is the cost of staffing. While pupil numbers have increased, staffing has not increased at the same rate making staffing ratios more efficient. The Energy Project is designed to deliver long term cost savings.

#### **RESERVES AND FUNDING OF FUTURE WORK**

With the exception of £27,000 (2020: £19,000) of assets attributable to restricted funds, the Foundation's assets are unrestricted as to their deployment and use. The amount and liquidity of the assets attributable to each fund are sufficient to meet the related obligations.

The Board of Management believes that the free unrestricted funds of £6.5m (being unrestricted funds of £35.1m net of tangible assets of £28.6m), which is wholly represented by investments, are essential to finance the Charity's support of Foundationers. Free unrestricted funds have increased by £0.7m since last year largely due to gains on the investment portfolio. The designated fund comprises a surplus on the boarding fund which will be utilised to fund the future development and maintenance of the boarding estate.

The reserves policy is reviewed annually by the Board of Management.

#### **GATTON PARK LETTINGS LIMITED**

Gatton Park Lettings Limited is a wholly-owned subsidiary of the Foundation whose principal activity is the letting of the conference facilities and non-educational boarding facilities plus other trading activities of the School. Turnover for the year ended 31 August 2021 was £35,062 (2020: £8,711). Some lettings have been able to take place this year, but activity remains limited due to the ongoing COVID-19 pandemic. The whole of the taxable profits of Gatton Park Lettings Limited are donated as a charitable donation to the Foundation.

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **THE GATTON TRUST LIMITED (“GATTON TRUST”)**

The Foundation is the sole member of Gatton Trust, a charitable company whose objectives are to conserve the historic landscape and buildings within Gatton Park; provide access for the public to the parkland and provide an education centre for the benefit of the public and the School.

This year work has continued to be affected by the COVID-19 pandemic. Lockdowns, government restrictions and safety guidelines have all had an impact on activities, income and staffing. During the year 12,093 (2020: 6,422) visits were made to the park for events, activities and educational work. Educational activities were one of the areas hardest hit by the lockdown. The peak season for school visits was lost as winter restrictions were not eased until spring, and this meant school visits did not resume until mid-May. This year only 588 school children visited the park, compared to 842 children last year, which is significantly fewer than a normal year (2019: 3,288).

It would not be possible to deliver the educational programmes or to maintain and develop the parkland without the invaluable support of the 87 volunteers who gave 3,199 hours (2020: 93 volunteers and 4,814 hours). Volunteering (except to support open days) had to stop when the local area was placed under Tier 4 restrictions (November 2020) and could not restart until the end of the national lockdown (end of March 2021). The last two years have highlighted the importance of volunteering for the Trust, but also for the volunteers themselves. 10% of the volunteers are vulnerable adults with issues such as mental health problems, physical disabilities and learning difficulties.

Gatton Trust’s surplus for the year ended 31 August 2021 was £31,645 (2020: deficit £12,725) showing some recovery from the COVID-19 pandemic.

The funds carried forward amounted to £127,377 (2020: £95,732) of which £102,068 (2020: £78,446) comprise unrestricted reserves. After the year end, the Trustees agreed to designate £70,000 of unrestricted funds to various parkland projects.

#### **INDEPENDENT INQUIRY INTO CHILD SEXUAL ABUSE (“IISCA”)**

Following the School’s self-referral to IISCA and the submission of all materials held relating to any alleged or established child sexual abuse there has been one more historic claim during the year requiring investigation. The School is insured to cover the outcome of this claim.

#### **GOVERNANCE OF THE FOUNDATION AND SCHOOL**

The governing bodies consist of:

- The Court of Governors, which comprises of Life Members being those persons who make a one-off donation in excess of £1,000 or members who make a declared annual subscription in excess of £50 to the Foundation. Such persons hold office for a period of one year following their most recent subscription or until their earlier resignation. The Court of Governors, which meets annually, appoints the members of the Council and, in most cases, the Board of Management.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### GOVERNANCE OF THE FOUNDATION AND SCHOOL (continued)

- The Board of Management which at 31 August 2021 comprised three principal officers and eight ordinary members. It is the Board of Management which has responsibility for the general control and management of the administration of the Foundation and its members have, therefore, the duties of charity Trustees. The Board of Management meets at least termly.
- The Council which acts in an advisory capacity to both the Court and the Board of Management and comprises persons with a broad range of expertise and who are distinguished in their field. The Council meets annually.
- The Governing Body which is the body responsible for the educational management of the School in accordance with the requirements of the various Education Acts. The Governing Body has delegated authority from the Board of Management regarding management of the boarding facilities, the Co-curricular program and pastoral care.

### The Board of Management

The Board of Management and the Governing Body establish and control such committees as are deemed necessary for the respective management of the Foundation and the School. A full list of the members of the Board of Management and its sub-committees is included on pages 53 – 57.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The members of the Board of Management (also referred to as Trustees) have high level and relevant education, legal, estates, marketing, banking, finance and charity expertise. New Trustees, upon appointment, follow an induction which includes an explanation of their role as Trustee. They are also provided with detailed information regarding the Foundation and the School. Relevant ongoing training is provided periodically. The members of the Board of Management who served during the financial year and up to the date of signing these financial statements were: -

David Frank	Chair
Graham Williams CA MBA	Vice Chair – resigned 29 September 2020
Fiona Sheridan	Honorary Treasurer
Timothy Redburn FCA	reappointed 22 October 2020
Richard Wells FRICS	Comptroller
John Billingham	
Dame Mary Richardson BA PGCE DBE FRSA	
Charles Wates BSc MRICS	
Jonathan White MBA	
Edward Winter	
Nishma Acharya	
Elizabeth Tadd	
Christina Foord	resigned 29 June 2021

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **GOVERNANCE OF THE FOUNDATION AND SCHOOL (continued)**

All Trustees give their time freely and no remuneration or expenses were paid in the year. No Trustee or person connected with a Trustee received any benefit from means tested bursaries during the year.

The Foundation Secretary and Bursar, Elizabeth Lowe, is Secretary to the Board of Management, the Governing Body and a number of sub-committees.

#### **The Senior Leadership Team**

The day to day management of the School is the responsibility of the Headmaster, and the Senior Leadership team ("SLT"). The SLT currently comprises the Headmaster, the Foundation Secretary and Bursar, Foundation Director, Deputy Head Academic, Deputy Head Pastoral & Boarding, Deputy Head Co-Curriculum & Community, Senior Assistant Head, Head of Junior School, Assistant Head Behaviour Management and Marketing Director.

In April 2021 Mark Dixon stepped down as Headmaster of the School. At the end of August 2021, the Marketing Director also resigned from her role. There were no other changes to the SLT during the year.

After the year end in September 2021, two new Interim Heads joined the SLT to cover the responsibilities of Headmaster. The Interim Heads will remain with the School for the whole of the 21/22 school year whilst the Governing Body recruits a new Headmaster. Also in September 2021, the Deputy Bursar, Elizabeth Lowe, was promoted to Foundation Secretary and Bursar. Previously the role was held by Peter Dawson, who became Foundation Director.

#### **Other Senior Staff**

The remuneration of the SLT is set with reference to the School Teachers Pay and Conditions Document and is determined by the Remuneration Committee.

#### **INVESTMENT POWERS**

The Foundation's investment powers are set out in the 1949 Act. However, the Charity Commission has confirmed that the Foundation may exercise the wider powers of investment conferred by the Trustee Act 2000. The Foundation's portfolio of investments is overseen by the Investment Committee. Investec has been given discretionary investment management powers, subject to certain specified restrictions. The investment policy is to manage the portfolio for total return but to ensure that over time the real capital value of the portfolio is maintained. There is no specific income target. The investment objective for any year is to produce an investment return in excess of a customised benchmark which, in particular, measures performance for gilts against FTSE Government All Stocks, corporate bonds against Merrill Lynch Non Gilt All Stocks, fixed interest stocks against the FTA Government All Stocks Index, UK Equities against the FTSE All Share index, overseas equities against the FTA World ex UK index and commercial property against IPD Quarterly. All securities are held on behalf of the Foundation by a nominee company which is a wholly-owned subsidiary of Investec.

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

As part of its normal procedures, the Board assesses the major risks and uncertainties to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation. The assessment comprises:

- a review of all the risks that the Foundation may face in its normal operations for the year ahead
- an assessment of the likelihood of those risks occurring, together with an assessment of their impact
- the establishment of procedures, actions and systems to mitigate the risks identified and to minimise any potential impact on the Foundation.

The monitoring of financial and other areas of performance ensures that the Board is continually appraised of progress and the risks the Foundation faces.

The principal risks and uncertainties facing the entity are summarised as:

- the loss of key income streams. The Board takes appropriate professional advice and regularly monitors the implications of such a loss.
- reputational and monetary risk arising from sexual abuse cases. The Board works cooperatively with the police, employs specialist public relation consultants and insures such risks.
- the loss of key personnel due to retirement/promotion. The Board is actively involved in preparing and implementing succession planning strategies.
- the inability to generate surpluses or raise capital to fund future capital projects required for the future development of the School e.g. additional boarding house, further classrooms, learning resource centre.
- expenditure required to maintain both the aging school estate as well as the heritage assets, in particular Gatton Hall and the listed walls.
- government policy relating to educational charities
- Limits on planning permission for temporary buildings
- government ordered closure of the school due to the COVID-19 pandemic

#### **Liability insurance**

The Foundation maintains liability insurance for its Trustees and officers and the Directors, Trustees and officers of its subsidiary undertakings, which qualifies as a third party indemnity provision for the purposes of the Companies Act 2006. This insurance was in force during the financial year and at the date of approval of the consolidated financial statements.

# **ROYAL ALEXANDRA AND ALBERT SCHOOL**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS 102, 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 Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Foundation website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a Trustee at the date of approval of this report confirms that:

- (a) so far as the Trustee is aware, there is no relevant audit information of which the Foundation's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

## **ROYAL ALEXANDRA AND ALBERT SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

#### **INDEPENDENT AUDITORS**

A resolution proposing that Moore Kingston Smith LLP be re-appointed as auditors will be put to the forthcoming meeting of the Board of Management.

On behalf of the Board:



D T Frank  
**Chairman**

7 December 2021

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**  
**OF ROYAL ALEXANDRA AND ALBERT SCHOOL**

**OPINION**

We have audited the financial statements of Royal Alexandra and Albert School and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Foundation's Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Foundation's affairs as at 31 August 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the 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 group and Foundation'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**  
**OF ROYAL ALEXANDRA AND ALBERT SCHOOL**

**OTHER INFORMATION (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**  
**OF ROYAL ALEXANDRA AND ALBERT SCHOOL**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)**

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**  
**OF ROYAL ALEXANDRA AND ALBERT SCHOOL**

**EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD**

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the group and Foundation comply with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**  
**OF ROYAL ALEXANDRA AND ALBERT SCHOOL**

**USE OF OUR REPORT**

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

**Moore Kingston Smith LLP**

**Statutory Auditor**

**16 December 2021**

Betchworth House  
57 – 65 Station Road  
Redhill  
Surrey  
RH1 1DL

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted Funds		Restricted Funds	2021	2020
		Foundation Fund	Boarding School Fund			
		£'000	£'000	£'000	£'000	£'000
<b><u>INCOME FROM</u></b>						
<b>Charitable activities</b>						
Boarding charges	5	-	8,461	-	8,461	7,830
Other educational income	5	118	31	-	149	54
<b>Donations and legacies</b>						
Grants from government and other public bodies	4	12	128	74	214	409
Donations and other voluntary income	4	13	420	16	449	399
Legacy income	4	16	-	-	16	-
<b>Trading activities</b>						
Property income		35	-	-	35	9
Park conservation and environmental education		69	-	-	69	37
<b>Investments</b>	6	218	-	-	218	232
<b>Other income</b>		-	175	-	175	20
<b>Total income</b>		<u>481</u>	<u>9,215</u>	<u>90</u>	<u>9,786</u>	<u>8,990</u>
<b><u>EXPENDITURE ON</u></b>						
<b>Charitable activities</b>						
School and grant making		(1,771)	(8,589)	(2)	(10,362)	(9,843)
<b>Raising funds</b>						
Fundraising and development		(9)	-	-	(9)	(2)
Investment management costs		(36)	-	-	(36)	(33)
Property letting expenses		(6)	-	-	(6)	(6)
<b>Total expenditure</b>	7,8	<u>(1,822)</u>	<u>(8,589)</u>	<u>(2)</u>	<u>(10,413)</u>	<u>(9,884)</u>
<b>Net income/(expenditure) before gains/losses on investments</b>		(1,341)	626	88	(627)	(894)

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021 (continued)**

		Unrestricted Funds		Restricted Funds	2021	2020
		Foundation Fund	Boarding School Fund			
		£'000	£'000	£'000	£'000	£'000
<b>Net income/(expenditure) before gains/losses on investments</b>		(1,341)	626	88	(627)	(894)
Realised and Unrealised (loss)/gain on investments	12	1,661	-	-	1,661	(93)
<b>Net income/(expenditure) after gains/losses on investments</b>		320	626	88	1,034	(987)
<b>Transfers between funds</b>						
- Market rental charged by Foundation Fund to Boarding Fund		1,795	(1,795)		-	-
- Foundation Bursaries transferred to Boarding School Fund		(846)	852	(6)	-	-
- Additions and improvements to land and buildings		74	-	(74)	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/ (losses) on the defined benefit pension scheme	16	-	-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		1,343	(317)	8	1,034	(987)
<b>Reconciliation of Funds</b>						
<b>FUND BALANCES brought forward at 1 September</b>		33,385	668	19	34,072	35,059
<b>FUND BALANCES carried forward at 31 August</b>		34,728	351	27	35,106	34,072

All income arises from the continuing activities of the Group. There are no recognised gains or losses other than those dealt within the Consolidated Statement of Financial Activities. There are no material differences between the net income /(expenditure) and the fund balances carried forward stated above and their historical cost equivalents.

The financial statements have been prepared in line with FRS 102.

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2021**

		At 31 August 2021		At 31 August 2020	
	Note	Group £'000	Foundation £'000	Group £'000	Foundation £'000
<b>FIXED ASSETS</b>					
Tangible assets	11	28,620	28,620	28,243	28,243
Investments	12	10,842	10,842	9,116	9,116
Total fixed assets		39,462	39,462	37,359	37,359
<b>CURRENT ASSETS</b>					
Debtors	13	545	518	667	673
Term deposit		2,082	2,082	82	82
Cash at bank and in hand		2,774	2,637	1,628	1,517
Total current assets		5,401	5,237	2,377	2,272
Creditors: Amounts falling due within one year	14	(3,762)	(3,757)	(3,319)	(3,315)
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		1,639	1,480	(942)	(1,043)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		41,101	40,942	36,417	36,316
Creditors: Amounts falling due after one year	15	(5,995)	(5,995)	(2,345)	(2,345)
<b>TOTAL NET ASSETS</b>		35,106	34,947	34,072	33,971
<b>THE FUNDS OF THE CHARITY</b>					
Restricted income funds	17,20	27	2	19	2
Unrestricted income funds excluding pension liability		29,494	29,360	28,151	28,067
Pension reserve	16	-	-	-	-
Designated funds	19	351	351	668	668
Revaluation reserve		5,234	5,234	5,234	5,234
Total unrestricted income funds	17,18	35,079	34,945	34,053	33,969
<b>TOTAL CHARITY FUNDS</b>		35,106	34,947	34,072	33,971

The financial statements on pages 24 to 52 were approved by the Board of Management on 7 December 2021 and signed on their behalf:

*D. T. Frank*

D T Frank  
Chairman

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Year ended 31 August 2021		Year ended 31 August 2020	
		£'000	£'000	£'000	£'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Net cash provided by operating activities	22	965		1,129	
Interest paid		(83)		(7)	
<b>Net cash used in operating activities</b>			<b>882</b>		<b>1,122</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Dividends and interest from investments		218		232	
<b>Purchase of:</b>					
Investments		(1,485)		(1,553)	
Fixed assets		(1,812)		(4,081)	
<b>Proceeds from:</b>					
Sale of investments		1,400		1,207	
Sale of fixed assets		-		3	
Decrease/(Increase) in short term deposits and investment adjustments		20		385	
<b>Net cash used in investing activities</b>			<b>(1,659)</b>		<b>(3,807)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>					
<b>New Borrowing:</b>					
Lloyds Bank loans		4,100		1,000	
<b>Repayment of Borrowing:</b>					
Lloyds Bank loans		(177)		(100)	
<b>Net cash used in financing activities</b>			<b>3,923</b>		<b>900</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>			<b>3,146</b>		<b>(1,785)</b>
Cash and cash equivalents at the beginning of the year			1,710		3,495
<b>Cash and cash equivalents at the end of the year</b>			<b>4,856</b>		<b>1,710</b>



# ROYAL ALEXANDRA AND ALBERT SCHOOL

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

### 1. GENERAL INFORMATION

Royal Alexandra and Albert School is a charity registered in the United Kingdom (registered charity number 311945). The charity's registered office and operational address is: Royal Alexandra and Albert School, Foundation Office, Gatton Park, Reigate, Surrey, RH2 0TW.

### 2. ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS 102)), and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency at the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The consolidated financial statements incorporate those of the Foundation and of its subsidiary undertakings, Gatton Park Lettings Limited (company registration number 03227685) and The Gatton Trust Limited (company registration number 4216691, registered charity number 1101467), (together the "Group"). Both subsidiaries make up their financial statements to 31 August and are consolidated on a line by line basis. As permitted, a separate income and expenditure account dealing with the results of the parent charity only has not been prepared.

The charity is a qualifying entity for the purposes of FRS 102 as it is the ultimate parent of publicly available consolidated financial statements. The charity has taken advantage of the following exemptions in its individual financial statements:

- (i) Under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows
- (ii) Certain disclosure requirements of section 11 in respect of financial instruments
- (iii) Disclosure of the charity's key management personnel compensation

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of freehold buildings at deemed cost and certain financial assets and liabilities measured at fair value. The principal accounting policies applied in the preparation of these financial statements, consistently applied to all the years presented, are set out below.

#### Going concern

The Foundation has suffered significant financial loss as result of the global pandemic and the measures taken to contain it. The total cost of school fees refunded to parents this year was £1.3m, and last year £1.6m. Fee reductions remain the key driver of financial loss as costs remain broadly similar. Although cost savings were made during the school closure, these were offset by additional costs of refurbishment of the boarding estate. Whilst the ultimate impact of the pandemic cannot currently be quantified, the Trustees expect a return to normality over the next 12 months and, having made appropriate enquiries, the Trustees are satisfied that the Foundation has adequate resources to continue for the foreseeable future being at least twelve months from the date of approval of the financial statements. For this reason, the Trustees have continued to adopt the going concern basis when preparing the financial statements.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Incoming resources**

All incoming resources are included in the consolidated statement of financial activities when the charity is legally entitled to them, receipt is probable and the amount can be quantified with reasonable accuracy.

#### **Boarding charges**

Parental and local authority contributions represent the boarding charges paid by parents or local authorities as appropriate and are recognised when service is provided.

#### **Boarding charges in advance**

The charity offers a boarding charges in advance scheme where the cost of boarding charges can be reduced by making an advance lump sum payment. The scheme may be used to provide advance payments towards boarding charges for any set number of terms during the pupil's potential time at the School, from a minimum of 3 terms up to a maximum of 15 terms. The minimum amount accepted by way of payment into the scheme is an amount calculated to generate termly payments of £500 per term, and the maximum is an amount calculated to generate the termly boarding charges at the time of entering the scheme. The commutation given is charged to the consolidated statement of financial activities and the remaining lump sum is deferred and recognised within current liabilities and released as the terms are used up.

#### **Boarding charge deposits**

Upon joining the School, a boarding charge deposit is taken for each pupil, which is returnable on the pupil leaving the school. These deposits are included within current liabilities since there is the potential for pupils to leave at any stage.

#### **Bursaries**

Bursaries are accounted for when the boarding charges to which they relate are recognised. Bursaries funded by grant giving trusts are included within donations in the Boarding School Fund. Foundation bursaries represent the boarding charges of bursary children funded by the Foundation. The Foundation bursaries are shown as a transfer between funds on the face of the Consolidated Statement of Financial Activities.

#### **Donations and other voluntary income**

Donations and other voluntary income represent income from donors, whether individual or corporate, and grants from charitable trusts. Such income is accounted for when receivable and quantifiable. Gifts in kind are valued at market value at the date of receipt.

#### **Grants from government and other public bodies**

Grants from government and other public bodies are accounted for when the charity is entitled to the funds. Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Legacies**

Legacies are recognised when a charity has entitlement to the income, it is probable that it will be received and it can be measured reliably. Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

#### **Income from investments**

Interest is accounted for when receivable. Dividend income is accounted for when the right to receive payment has been established.

#### **Property and park conservation income**

Property lettings and park conservation income is accounted for in the period in which it is receivable.

#### **Other income**

Other income consists of income received from insurance claims and contributions received towards administrative costs. Income is recognised when receivable and quantifiable.

#### **Expenditure**

Costs of charitable activities include direct expenditure incurred through operational activities including grants paid directly relating to the objects of the charity. Grants are recognised in the period in which they are payable. Expenditure is accounted for on an accruals basis as a liability arises. This includes attributable VAT which cannot be recovered.

#### **Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but are not directly incurred in the performance of charitable activities. Support costs include a proportion of the Foundation staff and office costs apportioned on the basis of staff time. Governance costs and support costs relating to charitable activities include the audit fee and legal and tax advice. The allocation of support and governance costs is analysed in note 8.

#### **Taxation**

The Foundation and The Gatton Trust Limited are registered charities and, as such, exempt from taxation which applies both to capital gains and to the income arising and expended on its charitable activities.

Gatton Park Lettings Limited donates its entire distributable profits to the Foundation, its holding company, and expects to continue to do this for the foreseeable future thereby mitigating any potential tax liability.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Pension costs

The charity operates a defined benefit pension scheme, now closed to new members, for the benefit of certain employees. The assets of the scheme are held separately from those of the charity in independently administered funds. A defined benefit pension scheme defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit scheme is a pension scheme that is not a defined contribution scheme.

The asset recognised in the balance sheet in respect of the defined benefit pension scheme has been restricted due to uncertainty around realisation of the net defined pension asset. This restriction has resulted in a £nil balance at the financial year end. The net defined benefit pension asset is the fair value of the pension scheme assets at the financial year end less the present value of the defined benefit obligation at the end of the financial year. The defined benefit obligation is calculated using the projected unit credit method. The charity engages independent actuaries to calculate the obligation annually. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of pension scheme assets is measured in accordance with the FRS 102 fair value hierarchy and includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of financial activities as other recognised gains and losses. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of pension scheme assets. The cost of the defined benefit scheme, recognised in the consolidated statement of financial affairs as employee costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period, and the cost of scheme settlements and changes.

The pension contribution is wholly allocated to unrestricted funds.

The charity also pays contributions, for those employees who elect to become members and for whom the above scheme is closed, into a group personal pension scheme established with Legal and General Assurance Society or into a qualifying pension scheme established with the National Employment Savings Trust. These are both defined contribution schemes. Both schemes' assets are invested separately from the Foundation assets and contributions, incurred and payable monthly, are charged to the Consolidated Statement of Financial Activities.

#### Operating Leases

The charity held only operating leases in the financial year. Operating leases cover leases of equipment and vehicles; where the title to the equipment remains with the lessor. The lease rentals payable are charged to the statement of financial activities on a straight line basis over the term of the leases.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Transfers between funds

Transfers are made from and within unrestricted funds in line with charitable objectives. A market rental charge of £1,794,781 for the use of the shared properties has been accounted for as a transfer to the Foundation Fund from the Boarding Fund. The cost of Foundation funded bursaries has been transferred to the Boarding School Fund from the Foundation Fund. The cost of fixed asset additions funded by DfE capital grants have been transferred from the Foundation Fund to restricted funds.

#### Related party transactions

The charity discloses all transactions with related parties including those within the same group.

#### Financial instruments

The charity applies Section 11 of FRS 102 in respect of financial instruments. Basic financial instruments include trade and other receivables, trade and other creditors, cash and bank and investments. Basic financial instruments are initially recognised at transaction value. Investments are recognised at fair value through profit and loss and the remaining assets are held at amortised cost. Liabilities are all held at amortised cost.

#### Tangible assets and depreciation

Tangible fixed assets, costing £2,000 or more, are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is recognised so as to write off the cost of the assets, less their residual values, over their expected useful lives on the following bases:

Freehold Land	No depreciation
Freehold Buildings	4% straight line
Freehold Buildings (listed)	2% straight line
Motor Vehicles	50% in the financial year of acquisition, 25% straight line thereafter
Furniture, Equipment & Horses	20% straight line

Depreciation is charged for a full year in the year of acquisition. The useful economic lives and residual value of fixed assets are reviewed at the end of each accounting period.

Freehold land and buildings were professionally revalued at 31 March 2013 to depreciated replacement cost with the revaluation surplus being taken to the revaluation reserve. On transition to FRS 102, the charity elected to take the revalued amount as deemed cost.

Projects in progress at the financial year end are carried forward to the accounting period of completion of the project whereupon they are transferred to an appropriate asset category. Depreciation is not charged on projects until they have been completed.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Investments and investment management**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Investments include short term deposits.

The charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The investment management costs are expensed separately to the Consolidated Statement of Financial Activities and are recognised on an accruals basis.

#### **Realised and unrealised gains and losses**

All gains and losses are taken to the Consolidated Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and opening carrying value or purchase value of fixed assets or fixed asset investments if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

#### **Cash at bank and in hand**

Cash at bank and in hand is held to meet short term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short term highly liquid investments. A cash equivalent will normally have a short maturity of three months or less from date of acquisition.

#### **Unrestricted funds**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Board in furtherance of the objects of the Foundation. The unrestricted funds comprise the Foundation Fund and a designated fund, the Boarding School Fund, the aims and purposes of which are set out in Note 19.

#### **Restricted funds**

These are funds for which the donor has specifically restricted the purpose for which the funds may be used. Income received that has specific restrictions placed upon its use is credited to restricted income within the SOFA on an entitlement basis. Unspent balances are carried forward within the relevant restricted fund.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It is the opinion of the Trustees that there are no estimates and assumptions that have a significant risk of causing a material adjustment of the carrying amounts of assets and liabilities within the next financial year, other than those addressed below.

#### Defined benefit pension scheme

The charity has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

### 4. DONATIONS AND LEGACIES

	2021 £'000	2020 £'000
Grants, donations and legacy income comprise:		
Grants from government and other public bodies	214	409
Donations and other voluntary income	449	399
Legacy income	16	-
	<u>679</u>	<u>808</u>
Capital grants	74	-
Income grants and donations	605	808
	<u>679</u>	<u>808</u>

Grants from government and other public bodies comprise grants from the Department for Education ("DfE") of £73,931 towards capital projects (2020: nil), and £139,566 (2020: £408,955) claimed through the Coronavirus Job Retention Scheme to cover employees' wages.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 4. DONATIONS AND LEGACIES (continued)

Donations and other voluntary income include the following grants of £1,000 or more in respect of bursaries for specific pupils:

	<b>2021</b>
	<b>£'000</b>
Royal National Children's Springboard Foundation	226
The Frank Buttle Trust UK	75
Anonymous Donor	28
The Reedham Trust	24
The BMTA Trust Limited	22
The Emmott Foundation	11
Royal Pinner School	11
St Marylebone Educational Foundation	9
Thornton	4
Lloyd Foundation	3
Fashion and Textile Children's Trust	3
Naval Children's Charity	2
The Forces Trust	2

### 5. INCOME FROM CHARITABLE ACTIVITIES

	<b>Foundation Fund</b>	<b>Boarding School Fund</b>	<b>Restricted Funds</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Contributions towards boarding charges:					
Parental	-	9,293	-	9,293	8,446
Bursaries	-	(852)	-	(852)	(634)
Local Authorities	-	20	-	20	18
Total contributions	-	8,461	-	8,461	7,830
Other educational income	118	31	-	149	54
	118	8,492	-	8,610	7,884



# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 6. INVESTMENT INCOME

The Group's investment income arises as follows:

	2021 £'000	2020 £'000
Dividends and interest	218	226
Interest receivable net of charges paid	-	6
	<u>218</u>	<u>232</u>

### 7. TOTAL EXPENDITURE BY ACTIVITY TYPE

Current year	Direct costs £'000	Support and governance costs £'000	2021 £'000
School and grant making	8,713	1,649	10,362
Fundraising and development	9	-	9
Investment management	36	-	36
Property lettings	3	3	6
	<u>8,761</u>	<u>1,652</u>	<u>10,413</u>

Comparative year	Direct costs £'000	Support and governance costs £'000	2020 £'000
School and grant making	8,190	1,653	9,843
Fundraising and development	2	-	2
Investment management	33	-	33
Property lettings	3	3	6
	<u>8,228</u>	<u>1,656</u>	<u>9,884</u>

### 8. ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Support and governance costs are allocated on the basis of staff time as follows:

Current year	School and grant making £'000	Property lettings £'000	2021 £'000
Management	273	-	273
Professional fees	19	-	19
Staff costs	942	3	945
Other costs	238	-	238
Governance costs	177	-	177
	<u>1,649</u>	<u>3</u>	<u>1,652</u>

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 8. ALLOCATION OF SUPPORT AND GOVERNANCE COSTS (continued)

Comparative year	School and grant making £'000	Property lettings £'000	2020 £'000
Management	277	-	277
Professional fees	51	-	51
Staff costs	838	3	841
Other costs	184	-	184
Governance costs	303	-	303
	<u>1,653</u>	<u>3</u>	<u>1,656</u>

### 9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2021 £'000	2020 £'000
Net income/(expenditure) is stated after charging:		
Depreciation	1,435	1,380
Operating lease rentals	147	146
Bank charges and interest payable	101	40
Auditors' remuneration		
- Fees	24	21
- Other Services	1	4

### 10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES

The average monthly number of employees (including senior leadership) employed by the Group during the year was:

	2021	2020
Management	27	25
Welfare	90	87
Maintenance	17	18
	<u>134</u>	<u>130</u>

The average monthly number of employees (including senior leadership) employed by the Group during the year, calculated as full-time equivalents was:

	2021	2020
Management	22	20
Welfare	59	58
Maintenance	12	14
	<u>93</u>	<u>92</u>

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 10. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES (continued)

#### Total compensation for all staff:

	2021	2020
	£'000	£'000
Wages and salaries	2,637	2,452
Social security costs	230	202
Pension costs – defined benefits	173	170
Pension costs – defined contributions	147	121
Termination benefits	93	1
	<u>3,280</u>	<u>2,946</u>

#### Total compensation for key management:

	2021	2020
	£'000	£'000
Salaries	317	285
Benefits in kind	2	3
Pension costs	20	19
Termination benefits	93	-
Aggregate emoluments	<u>432</u>	<u>307</u>

#### Personnel with employee benefits (excluding employer pension costs) between:

	2021	2020
£60,001 to £70,000	1	-
£90,001 to £100,000	1	-
£100,001 to £110,000	1	1

A payment of £260,000 was made to the school in respect of staff costs incurred by the school for boarding related duties for the year ended 31 August 2021 (2020: £618,777). This is not part of staff costs disclosed above.

No member of the Board of Management received remuneration in the current year.

Termination benefits of £92,831 (2020: £1,332) have been paid to staff during the year.

The Foundation has a composite insurance policy which provides professional indemnity insurance cover for the Officers, Governors, Council Members and Trustees. The cost of the cover relating to the Trustees is inseparable from the cost of the total cover. The Charity Commission has made an order to authorise the provision of indemnity insurance for the Trustees.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Projects in progress £'000	Furniture, equipment and horses £'000	Motor vehicles £'000	Total £'000
<b>COST</b>					
1 September 2020	32,179	2,927	1,977	133	37,216
Additions	-	1,780	20	12	1,812
Transfer	4,490	(4,497)	7	-	-
Disposals	-	-	(18)	(3)	(21)
31 August 2021	36,669	210	1,986	142	39,007
<b>ACCUMULATED DEPRECIATION</b>					
1 September 2020	(7,266)	-	(1,601)	(106)	(8,973)
Charge for year	(1,262)	-	(152)	(21)	(1,435)
Disposals	-	-	18	3	21
31 August 2021	(8,528)	-	(1,735)	(124)	(10,387)
<b>NET BOOK VALUE</b>					
31 August 2020	24,913	2,927	376	27	28,243
31 August 2021	28,141	210	251	18	28,620

Foundation	Freehold land and buildings £'000	Projects in progress £'000	Furniture, equipment and horses £'000	Motor vehicles £'000	Total £'000
<b>COST</b>					
1 September 2020	32,179	2,927	1,961	131	37,198
Additions	-	1,780	20	12	1,812
Transfer	4,490	(4,497)	7	-	-
Disposals	-	-	(8)	(3)	(11)
31 August 2021	36,669	210	1,980	140	38,999
<b>ACCUMULATED DEPRECIATION</b>					
1 September 2020	(7,266)	-	(1,585)	(104)	(8,955)
Charge for year	(1,262)	-	(152)	(21)	(1,435)
Disposals	-	-	8	3	11
31 August 2021	(8,528)	-	(1,729)	(122)	(10,379)
<b>NET BOOK VALUE</b>					
31 August 2020	24,913	2,927	376	27	28,243
31 August 2021	28,141	210	251	18	28,620

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 11. TANGIBLE FIXED ASSETS

Freehold land and buildings were revalued at 31 March 2013 using the Depreciated Replacement Cost method of valuation by Richard Greenaway FRICS of Stanley Hicks. This method of valuation is used where there is no active market for the asset or no useful relevant evidence of recent sale transactions due to the specialised nature of the asset. The valuation which is incorporated in the figures below valued freehold land and buildings at 31 March 2013 at £24 million. Under FRS 102 the revalued amount or freehold buildings now equals deemed cost.

Borrowings from Lloyds Bank Plc, details of which are given in note 15, are secured against all property.

### 12. INVESTMENTS

	2021 £'000	2020 £'000
<b>Investments comprise:</b>		
UK Fixed Interest	402	407
Overseas Fixed Interest	195	373
Equities and Unit Trusts	10,141	8,192
	<u>10,738</u>	<u>8,972</u>
Short term deposits	104	144
<b>Group total investments</b>	<u>10,842</u>	<u>9,116</u>
Investment in subsidiaries	-	-
<b>Foundation total investments</b>	<u>10,842</u>	<u>9,116</u>

The Trustees believe that the carrying value of the investments is supported by underlying assets and/or future cash flows.

	2021 £'000	2020 £'000
<b>UK Listed Investments</b>		
At 1 September	8,972	8,719
Additions	1,485	1,553
Disposal proceeds	(1,400)	(1,207)
Adjustments	20	-
Realised & unrealised gain on investment	<u>1,661</u>	<u>(93)</u>
Market value at 31 August	<u>10,738</u>	<u>8,972</u>
Historical cost at 31 August	<u>6,685</u>	<u>6,156</u>

Stocks and money held in the portfolio managed by Investec are held to the order of Lloyds Bank plc as security for the loan and overdraft facilities. Details in note 15.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 12. INVESTMENTS (continued)

	2021	2020
	£	£
Investment in subsidiary at cost	101	101

#### Gatton Park Lettings Limited

The Foundation controls the ordinary share capital of Gatton Park Lettings Limited, a company incorporated in England and Wales (company registration number 03227685). The principal activity of Gatton Park Lettings Limited is the commercial letting of Gatton Hall and other site facilities. The whole of Gatton Park Lettings Limited's taxable profits are donated under gift aid to the Foundation.

	2021	2020
	£'000	£'000
Turnover	35	9
Expenditure	(3)	(3)
Operating profit donated to the Foundation	32	6
Assets	37	12
Liabilities	(5)	(6)
Funds	32	6

#### The Gatton Trust Limited

The Foundation is the only member of The Gatton Trust Limited, a charitable company limited by guarantee and incorporated in England and Wales (company registration number 4216691, registered charity number 1101467). The principal activities of the company are the restoration and conservation of Gatton Park and the provision of access for the public to the parkland and the provision of educational resources.

	2021	2020
	£'000	£'000
Turnover	94	59
Expenditure	(62)	(72)
Operating surplus/(deficit)	32	(13)
Assets	133	100
Liabilities	(6)	(4)
Funds	127	96

#### Gatton Estates Limited

The Foundation controls the ordinary share capital of Gatton Estates Limited, a company incorporated in England and Wales (company registration number 12469691). The company was incorporated on 18 February 2020 and is yet to commence trading. It has adopted the exemption from preparing accounts under section 394A of the Act for the financial year ended 31 August 2021.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 13. DEBTORS

	31 August 2021		31 August 2020	
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Trade debtors	87	55	80	79
Amounts owed by group undertakings	-	6	-	7
Other debtors	243	243	316	316
Prepayments and accrued income	215	214	271	271
	<u>545</u>	<u>518</u>	<u>667</u>	<u>673</u>

Trade debtors are stated after bad debt provision of £347,954 (2020: £280,094). During the year bad debts totalling £78,824 (2020: £62,552) were written off.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 August 2021		31 August 2020	
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Trade creditors	760	760	762	761
Taxation and social sec.	54	54	45	45
Other creditors	83	81	86	86
Amounts owed to group undertakings	-	-	-	-
Lloyds loan	293	293	125	125
Boarding charges in advance	1,763	1,763	1,232	1,232
Boarding charge deposits	301	301	391	391
Accruals and deferred income	508	505	678	675
	<u>3,762</u>	<u>3,757</u>	<u>3,319</u>	<u>3,315</u>

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Deferred income comprises boarding charges received in advance of the start of Autumn Term.

	31 August 2021		31 August 2020	
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
At 1 September	1,232	1,232	1,332	1,332
Amount released in year	(1,232)	(1,232)	(1,332)	(1,332)
Amount deferred in year	1,763	1,763	1,232	1,232
At 31 August	<u>1,763</u>	<u>1,763</u>	<u>1,232</u>	<u>1,232</u>

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 August 2021		31 August 2020	
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
<b>Instalment debts</b>				
Due 2 to 5 years	999	999	467	467
Due after 5 years	3,998	3,998	775	775
	<u>4,997</u>	<u>4,997</u>	<u>1,242</u>	<u>1,242</u>
<b>Fee Deposits</b>				
Due 2 to 5 years	711	711	758	758
Due after 5 years	287	287	345	345
	<u>998</u>	<u>998</u>	<u>1,103</u>	<u>1,103</u>
<b>TOTAL</b>	<u>5,995</u>	<u>5,995</u>	<u>2,345</u>	<u>2,345</u>

The Foundation's principal bankers are Lloyds Bank Plc. The Foundation has three loan facilities and no overdraft facilities.

The terms of the outstanding bank loan of £266,667 are that interest only was payable until April 2014 and the loan is then repayable in 30 termly instalments finishing in January 2024.

The terms of the outstanding bank loan of £5,023,832 are that interest only was payable until March 2021 and the loan is then repayable in monthly instalments over 20 years, finishing in March 2041.

The charity has a third loan facility available of £1,300,000, on which no draw downs have been made to date. From the drawdown date, the loan will become repayable in monthly instalments over 20 years.



## ROYAL ALEXANDRA AND ALBERT SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

#### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

In granting loan and overdraft facilities in 2011, Lloyds Bank Plc required a base rate cap agreement to be entered into until January 2024. The interest rate cap is 3.0%. No further base rate cap agreement was entered into in granting the £5.1m or £1.3m loans.

The loans and overdraft are secured on all property. Stocks and money held in the portfolio managed by Investec are also held to the order of Lloyds Bank Plc.

#### 16. PENSION SCHEME OBLIGATIONS

##### Defined Contribution Schemes

The Foundation operates two defined contribution schemes for employees. One is a group personal pension scheme established with Legal & General Assurance Society. Contributions of £11,492 (2020: £12,216) were made during the year. As at 31 August 2021 no contributions (2020: £3,147) were payable to the scheme. The other scheme is an auto enrolment "qualifying" scheme established with National Employment Savings Trust. Contributions of £117,757 (2020: £82,817) were made during the year. As at 31 August 2021 contributions totalling £14,753 (2020: £11,054) were payable to the scheme.

Gatton Trust operates a defined contribution scheme with Whitechurch and with National Employment Savings Trust. Contributions of £2,239 (2020: £3,222) were made during the year.

##### Defined Benefit Scheme

The Foundation maintains a defined benefit pension scheme operated by Legal & General Assurance Society with assets held in a separately administered fund. The information shown below is provided in conformity with the requirements of Section 28 of FRS 102.

The assets of the pension scheme are held separately from those of the Foundation and are administered by Charterhouse Consultancy Ltd. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. A full actuarial valuation was carried out at 23 March 2021 and updated to 31 August 2021 by the actuary, based on the provisions of FRS 102.

The most recent triennial valuation at 23 March 2021 revealed a funding surplus (technical provisions less value of assets) of £0.118m. An updated Schedule of Contributions is in the process of being finalised by the scheme Trustees. Currently the employer has agreed recovery plan contributions of 44% of pensionable pay, plus £8,300 a month in respect of the past service shortfall. In addition, the employer contributes £5,500 a month towards the expenses of the scheme. Contributions paid by the Foundation during the year ended 31 August 2021 were £173,000 (2020: £172,000).

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 16. PENSION SCHEME OBLIGATIONS (continued)

The scheme was closed to new members in March 2001. The employees' contribution is 5% of pensionable pay in excess of £100 (2020: 5%). The current service cost for this scheme for the year was £6,000 (2020: £6,000). The current service cost is consistent with prior years.

As required by FRS 102, the defined benefit liabilities have been measured using the projected unit method. The table below state the FRS 102 actuarial assumptions upon which the valuation was based.

	2021	2020
Rate of increase in salaries	2.4%	2.1%
Rate of increase in pensions in payment capped at 5%	3.3%	3.0%
Rate of increase in pensions in payment capped at 2.5%	2.2%	2.2%
Discount rate*	1.6%	1.6%
Inflation rate	3.4%	3.1%

\*Under FRS 102 the rate used to discount liabilities is based upon corporate bond yields

The mortality assumptions adopted imply the following life expectations at age 60:

	2021 Years	2020 Years
Retiring today - Men	26.3	26.4
Retiring today - Women	28.9	28.5
Retiring in 20 years - Men	27.5	27.7
Retiring in 20 years - Women	30.1	29.8

The major categories of scheme assets are as follows:

	2021 £'000	2020 £'000
UK Equities	1,020	803
Global Equities	1,384	1,091
Government Bonds	1,050	1,078
Corporate Bonds	1,090	1,073
Cash	148	97
Value of annuities*	3,547	4,028
Total scheme assets	8,239	8,170

\*The value of annuities is taken to be equal to the corresponding value of liabilities calculated in accordance with the actuarial assumptions above.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 16. PENSION SCHEME OBLIGATIONS (continued)

Analysis of amounts charged to statement of financial activities:

	2021 £'000	2020 £'000
Current service cost	(6)	(6)
Expenses	(67)	(55)
Net interest credit/(cost)	7	8
Unrecognised net interest credit	(7)	(8)
Net cost recognised as an expense	(73)	(61)
Return on pension scheme assets excluding interest income	86	(52)
Net scheme surplus not recognised	(394)	21
Actuarial gain/(loss) in the present value of liabilities	208	(80)
Total actuarial gain/(loss) recognised	(100)	(111)

Reconciliation of opening and closing balances of the scheme assets and liabilities:

	Fair value of scheme assets £'000	Present value of scheme liabilities £'000	Gross pension asset/ (liability) £'000
Opening scheme assets/(liabilities)	8,170	(7,822)	348
Current service cost	-	(6)	(6)
Interest income/(cost)	130	(123)	7
Actuarial gain/(loss)	86	208	294
Contributions by employer	173	-	173
Contributions by scheme participants	1	(1)	-
Benefits paid	(255)	255	-
Expenses paid	(67)	-	(67)
Closing scheme assets/(liabilities)	8,238	(7,489)	749

The total return on scheme assets for the year was a £68,000 gain (2020: £73,000 loss).

The actuarial valuation at 31 August 2021 generated a net scheme asset of £749,000 (2020: £348,000). For reporting purposes this net scheme asset has not been recognised due to uncertainty over its recoverability.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group				
Current year	Foundation	Designated	Restricted	Total funds
	Fund	funds	funds	2021
	£'000	£'000	£'000	£'000
Fixed assets	28,620	-	-	28,620
Investments	10,842	-	-	10,842
Net current assets/(liabilities)	1,261	351	27	1,639
Non-current liabilities	(5,995)	-	-	(5,995)
<b>Net assets</b>	<b>34,728</b>	<b>351</b>	<b>27</b>	<b>35,106</b>
Comparative year	Foundation	Designated	Restricted	Total funds
	Fund	funds	funds	2020
	£'000	£'000	£'000	£'000
Fixed assets	28,243	-	-	28,243
Investments	9,116	-	-	9,116
Net current assets/(liabilities)	(1,629)	668	19	(942)
Non-current liabilities	(2,345)	-	-	(2,345)
<b>Net assets</b>	<b>33,385</b>	<b>668</b>	<b>19</b>	<b>34,072</b>

Foundation				
Current year	Foundation	Designated	Restricted	Total funds
	Fund	funds	funds	2021
	£'000	£'000	£'000	£'000
Fixed assets	28,620	-	-	28,620
Investments	10,842	-	-	10,842
Net current assets/(liabilities)	1,127	351	2	1,480
Non-current liabilities	(5,995)	-	-	(5,995)
<b>Net assets</b>	<b>34,594</b>	<b>351</b>	<b>2</b>	<b>34,947</b>
Comparative year	Foundation	Designated	Restricted	Total funds
	Fund	funds	funds	2020
	£'000	£'000	£'000	£'000
Fixed assets	28,243	-	-	28,243
Investments	9,116	-	-	9,116
Net current assets/(liabilities)	(1,713)	668	2	(1,043)
Non-current liabilities	(2,345)	-	-	(2,345)
<b>Net assets</b>	<b>33,301</b>	<b>668</b>	<b>2</b>	<b>33,971</b>

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 18. GROUP STATEMENT OF FUNDS

	At 1 Sept 2020 £'000	Income £'000	Expenditure £'000	Fund transfers £'000	At 31 Aug 2021 £'000
Unrestricted funds:					
- Foundation Fund	33,385	2,142	(1,822)	1,023	34,728
- Boarding School Fund	668	9,215	(8,589)	(943)	351
Restricted funds	19	90	(2)	(80)	27
	<u>34,072</u>	<u>11,447</u>	<u>(10,413)</u>	<u>-</u>	<u>35,106</u>

	At 1 Sept 2019 £'000	Income £'000	Expenditure £'000	Fund transfers £'000	At 31 Aug 2020 £'000
Unrestricted funds:					
- Foundation Fund	33,278	321	(1,384)	1,170	33,385
- Boarding School Fund	1,747	8,664	(8,586)	(1,157)	668
Restricted funds	34	5	(7)	(13)	19
	<u>35,059</u>	<u>8,990</u>	<u>(9,977)</u>	<u>-</u>	<u>34,072</u>

### 19. GROUP DESIGNATED FUNDS

Group and Foundation unrestricted funds include the following designated fund:

	At 1 Sept 2020 £'000	New designations £'000	Utilised £'000	At 31 Aug 2021 £'000
Boarding School Fund	<u>668</u>	<u>9,215</u>	<u>(9,532)</u>	<u>351</u>

	At 1 Sept 2019 £'000	New designations £'000	Utilised £'000	At 31 Aug 2020 £'000
Boarding School Fund	<u>1,747</u>	<u>8,664</u>	<u>(9,743)</u>	<u>668</u>

New designations represent boarding income for the year while amounts released represent boarding expenditure including other recognised gains/(losses) and net fund transfers to/from the Boarding School Fund. The surplus on Boarding School Fund will be used principally to fund the future development and maintenance of the boarding estate.

After the year end, it was agreed by the Trustees of Gatton Trust to designate £70,000 of the unrestricted funds to various parkland projects.

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 20. GROUP RESTRICTED FUNDS

	At 1 Sept 2020 £'000	Income/ Capital £'000	Utilised £'000	At 31 Aug 2021 £'000
DfE building grants	-	74	(74)	-
Weir Bridge fund	1	-	-	1
University of Bristol prize fund	1	-	-	1
Foundationer Fund	-	1	(1)	-
Hardship Fund	-	5	(5)	-
<b>Foundation restricted funds</b>	<b>2</b>	<b>80</b>	<b>(80)</b>	<b>2</b>
Gatton Trust – Park Conservation & Education	17	10	(2)	25
<b>Group restricted funds</b>	<b>19</b>	<b>90</b>	<b>(82)</b>	<b>27</b>

	At 1 Sept 2019 £'000	Income/ Capital £'000	Utilised £'000	At 31 Aug 2020 £'000
DfE building grants	-	-	-	-
Weir Bridge fund	1	-	-	1
University of Bristol – prize fund	1	-	-	1
<b>Foundation restricted funds</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
Gatton Trust – Park Conservation & Education	32	5	(20)	17
<b>Group restricted funds</b>	<b>34</b>	<b>5</b>	<b>(20)</b>	<b>19</b>

DfE building grants are received to fund specific fixed asset projects. Weir Bridge funds were received for the restoration of the Weir Bridge. The University of Bristol donated £1,000 as a prize fund for the Most Improved Student to be paid out equally over 10 years. Donations to the Foundationer Fund are received specifically to support our Foundationer pupils. The Hardship Fund was set up to provide school fee support in 20/21 to those who were experiencing financial problems as a result of the COVID-19 pandemic

### 21. FINANCIAL COMMITMENTS

The Foundation had the following future minimum lease payments under non-cancellable operating leases for assets, other than land and buildings, payable as follows:

	2021 £'000	2020 £'000
Within one year	96	131
Within two to five years	106	93
After five years	44	-
	<b>246</b>	<b>224</b>

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 21. FINANCIAL COMMITMENTS (continued)

Amounts contracted for but not provided in the financial statements:

	31 August 2021		31 August 2020	
	Group £'000	Foundation £'000	Group £'000	Foundation £'000
Acquisition of tangible fixed assets	-	-	1,764	1,764

### 22. CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net income/(expenditure) for the year	1,034	(987)
<b>Adjustments for:</b>		
(Gain)/Loss on investments	(1,661)	93
Interest paid	83	7
Investment income	(218)	(232)
Depreciation charge	1,435	1,380
(Profit)/Loss on sale of assets	-	51
<b>Movements in working capital:</b>		
Decrease/(Increase) in debtors	122	180
(Decrease)/Increase in creditors	170	637
Net cash inflow from group operations	965	1,129

### 23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept 2020 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 Aug 2021 £'000
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	1,710	3,146	-	4,856
	1,710	3,146	-	4,856
<b>Borrowings</b>				
Debt due within one year	(125)	-	(168)	(293)
Debt due after one year	(1,242)	(3,923)	168	(4,997)
	(1,367)	(3,923)	-	(5,290)
<b>Total</b>	343	(777)	-	(434)

# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 23. ANALYSIS OF CHANGES IN NET DEBT (continued)

	At 1 Sept 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 Aug 2020 £'000
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	3,495	(1,785)	-	1,710
	<u>3,495</u>	<u>(1,785)</u>	<u>-</u>	<u>1,710</u>
<b>Borrowings</b>				
Debt due within one year	(100)	-	(25)	(125)
Debt due after one year	(366)	(901)	25	(1,242)
	<u>(466)</u>	<u>(901)</u>	<u>-</u>	<u>(1,367)</u>
<b>Total</b>	<u>3,029</u>	<u>(2,686)</u>	<u>-</u>	<u>343</u>

### 24. FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
<b>Financial assets held at amortised cost:</b>		
Trade debtors	87	80
Accrued income	4	119
Other debtors	243	316
	<u>334</u>	<u>515</u>
<b>Financial assets held at fair value through profit and loss:</b>		
Investments	10,842	9,116
<b>Financial liabilities held at amortised cost:</b>		
Creditors: amounts falling due within one year		
Trade creditors	760	762
Accruals	508	678
Lloyds loans	293	125
Other creditors	418	522
	<u>1,979</u>	<u>2,087</u>
Creditors: amounts falling due after one year		
Lloyds loans	4,997	1,242
Other creditors	998	1,103
	<u>5,995</u>	<u>2,345</u>



# ROYAL ALEXANDRA AND ALBERT SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

### 25. RELATED PARTY TRANSACTIONS

The Foundation enjoys a close working relationship with Royal Alexandra and Albert School which is a maintained school funded by Surrey County Council. The Foundation funds the boarding facilities and pastoral care, in partnership with Surrey Education Authority who fund the pupils' tuition. The Foundation has the power to appoint the majority of the Governing Body to whom day to day management of the boarding at the school and the running of the Co-curricular program is delegated.

The Foundation provides funds to the school towards the running costs and the school recharges the Foundation a portion of staff costs for boarding duties carried out by teaching staff. There are cross charges between the school and the Foundation in relation to shared facilities e.g. utilities, maintenance, insurance, horse care costs and catering costs (free school meals) as well as shared personnel.

	2021 £'000	2020 £'000
Grant to School	264	12
Salary reallocation charge	260	619
<b>Recharged by Foundation to School:</b>		
Salaries	118	42
Other (net of VAT)	190	106
<b>Recharged by School to Foundation:</b>		
Salaries	195	233
Other (net of VAT)	102	149
<b>Purchases from related parties:</b>		
Gatton Community Theatre	1	-
M Dixon	1	-
<b>Donations received by Gatton Trust from related parties:</b>		
Netherby Trust	5	-
Merstham Millennium Trust	2	-

During the year, the following key management personnel were customers of the Foundation:

Name	Annual transaction value	Amount outstanding at 31 Aug 2021
G Bendall	£5,354	(£1,859)
J Czerpak	£648	£34
M Dixon	£11,164	(£12)
S King	£2,971	(£1,428)
L Miller	-	(£1,695)
J Gale	£719	£14
S Greenwood	£144	£2

During the year, Gatton Trust purchased a long-service retirement gift for former Trustee Graham Williams at a cost of £125.

**ROYAL ALEXANDRA AND ALBERT SCHOOL**  
**REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2021**

<b>Registered Name:</b>	Royal Alexandra and Albert School
<b>Charity Number:</b>	311945
<b>Principal Address:</b>	Foundation Office Gatton Park Reigate Surrey RH2 0TW Tel: 01737 649050
<b>Solicitors:</b>	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
<b>Bankers:</b>	Lloyds Bank plc 1/5 The Broadway Crawley Surrey RH10 1DU
<b>Investment Advisers:</b>	Investec Wealth & Investment Ltd 30 Gresham Street London EC2V 7QN
<b>Independent Auditors:</b>	Moore Kingston Smith LLP Chartered Accountants and Statutory Auditors Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL

## ROYAL ALEXANDRA AND ALBERT SCHOOL

### REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2021 (continued)

#### PATRON

Her Majesty The Queen

#### PRESIDENT

HRH The Duchess of Gloucester

#### BOARD OF MANAGEMENT

David Frank Chair

Graham Williams CA MBA

Fiona Sheridan

Timothy Redburn FCA

Richard Wells FRICS

John Billingham

Dame Mary Richardson BA PGCE DBE FRSA

Charles Wates BSc MRICS

Jonathan White MBA

Edward Winter

Nishma Acharya

Elizabeth Tadd

Christina Foord

Vice Chair – resigned 29 September 2020

Honorary Treasurer

reappointed 22 October 2020

Comptroller

resigned 29 June 2021

#### MEMBERS OF THE COUNCIL:

The Lord Lieutenant of the County of Surrey

The Rt Hon The Lord Mayor of London

The Mayor of Reigate & Banstead

The Chairman of Surrey County Council

Crispin Blunt MP

Canon Peter Bruinvels

Rt Rev Jonathan Clark

John Cornish

resigned 24 September 2021

David Frank

(ex officio – Chairman Board of Management)

William Gillen

Ali Henderson

appointed 12 September 2021

Dr Claire Hodgkiss

Paul Julius

Barry Lambert

resigned 13 September 2021

Richard Link

Dr Jeffrey Magee

Gerri McAndrew

resigned 14 September 2021

James Meyer

Hilary Moriarty

Dorothy Ross-Tomlin

Paul Ryder

The Hon Mrs Lavinia Sealy

Fiona Sheridan

(ex officio – Treasurer Board of Management)

## ROYAL ALEXANDRA AND ALBERT SCHOOL

### REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2021 (continued)

#### MEMBERS OF THE COUNCIL (continued)

Adrian Smart

Katie Sunley

Robert Swannell CBE

Sir Eric Thomas

Sally Varah DL

Andrew Wates

Richard Wells

(ex officio - Comptroller Board of Management)

Graham Williams

(ex officio - Vice Chairman Board of Management)

resigned 29 September 2020

#### FINANCE & GENERAL PURPOSES (F&GP) COMMITTEE

Edward Winter

Chair

John Billingham

David Frank

Timothy Redburn

reappointed 22 October 2020

Fiona Sheridan

Charles Wates

Richard Wells

Graham Williams

resigned 29 September 2020

*Andy Cowen*

*Mark Dixon*

resigned 30 April 2021

*Edward Perry*

#### INVESTMENT COMMITTEE

Graham Williams

Chair – resigned 29 September 2020

Timothy Redburn

Chair – reappointed 22 October 2020

David Frank

Fiona Sheridan

Richard Wells

Edward Winter

## ROYAL ALEXANDRA AND ALBERT SCHOOL

### REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2021 (continued)

#### BURSARY COMMITTEE

David Frank	Chair
Nishma Acharya	
John Billingham	
Fiona Sheridan	
Elizabeth Tadd	
<i>Jonathan Boyce</i>	Chaplain
<i>Peter Dawson</i>	Bursar – resigned 31 August 2021
<i>Elizabeth Lowe</i>	Bursar – appointed 1 September 2021
<i>Mark Dixon</i>	resigned 30 April 2021
<i>Ron Searle</i>	

#### STAFF MATTERS COMMITTEE

John Billingham	Chair
David Frank	
Fiona Sheridan	
<i>Mark Dixon</i>	Headmaster – resigned 30 April 2021
<i>James Malley</i>	Interim Head – appointed 1 September 2021
<i>Andrea Self</i>	appointed 29 September 2020, resigned 2 July 2021
<i>Judith Magee</i>	appointed 29 September 2020

#### SAFEGUARDING COMMITTEE

<i>David Clamp</i>	Chair
John Billingham	
David Frank	
Elizabeth Tadd	
<i>Chris Green</i>	
<i>John Stafford</i>	

#### REMUNERATION COMMITTEE

John Billingham	Chair
David Frank	Chair of the Board of Management
Edward Winter	Chair of the F&GP Committee
Fiona Sheridan	Honorary Treasurer of the Board of Management
<i>Ros Kamaryc</i>	
<i>Ron Searle</i>	

## ROYAL ALEXANDRA AND ALBERT SCHOOL

### REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2021 (continued)

#### **GATTON TRUST LIMITED**

Graham Williams	Chair – resigned 29 September 2020
David Frank	Chair as of 25 November 2020
Peter Dawson	
<i>Maggie Kippen</i>	
<i>Alan Mortlock</i>	
<i>Helen Neve</i>	appointed 21 July 2021
<i>Gail Sperrin</i>	

#### **GATTON PARK LETTINGS LIMITED**

##### **Covered under the F&GP committee**

Richard Wells	Chair
David Frank	
<i>Peter Dawson</i>	
<i>Mark Dixon</i>	resigned 27 May 2021
<i>Elizabeth Lowe</i>	appointed 23 November 2021
<i>Helen Pollard</i>	resigned 26 January 2021

Only members of the committees have been listed, members 'in attendance' have not been included.

*Names in italics are Committee members who are not members of the Board of Management*