

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

FOR THE YEAR ENDED 31 AUGUST 2023

REGISTERED CHARITY NO: 311945

ROYAL ALEXANDRA AND ALBERT SCHOOL

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ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

The Board of Management presents its annual report and the consolidated audited financial statements for the year ended 31 August 2023 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

Legacy

Firstly, I would like to thank John Waddington for his very generous legacy to the Foundation. This has provided £252,000 to support the charity during the last year which is particularly welcomed at a time where the financial outlook is challenging. John was a member of our Board for many years taking on several different roles including Vice-Chairman, Treasurer and Chairman of Investment Committee. He served on the Council until a few years ago and made an extremely valuable contribution to our charity.

Foundationers

There are currently 85 Foundationers on roll at the school, 49 of which are Full Boarders and 36 Flexi Boarders. In 2022/23 12 Ukrainian students remained on roll at the school, with 10 being supported by the Foundation. One of these students left the school in the spring term 2023, and another at the end of the summer term 2023 bringing the total number of Ukrainian students who remained on roll for September 2023 to 10. Ukrainian students now represent 8.5% of the total Foundationer number which the Bursary Committee considers to be an appropriate level at this time.

Staffing

The headteacher, Morgan Thomas, carried out a full review of school staffing and leadership in early 2023. This led to a restructure of senior and middle leadership in order to improve capacity, accountability and performance. The new leadership model was implemented in September 2023.

Finance

The year's results were bolstered by the recognition of pension fund gains in year, £787,000, which will be realised on sale of the defined benefit pension scheme. This, together with £252,000 of legacy income improved the overall performance of the Foundation. Net income before taking account of the pension fund and investment portfolio movements resulted in a surplus of £454,000 compared to a surplus of £532,000 for the year ended 31st August 2022. Once adjusted for the unrealised pension fund income and investment losses the surplus in the year was £981,000. As at 31st August 2023 total assets amounted to £35,702,000.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

The Foundation continues to face difficult financial circumstances. Pupil numbers remain low, partly reflecting current economic conditions. Of particular concern is the number of departures from year 8 pupils where the trend needs to be reversed if the medium term sustainability of the boarding product is not to be called into question. Cost of living pressures combined with the 2022 'requires improvement' Ofsted rating and reductions in external funding available for bursaries have resulted in significant challenges in maintaining income. The financial crisis in the state education sector has also resulted in pressure for the Foundation to provide support. Taken together, a fundamental review of the operating model is required and has commenced with support from the Boarding Schools Association. This will assess the state boarding market and provide insight which will assist in determining the strategic way forward.

Estate

During the year the solar programme has continued and will be completed during the next year. This will reduce the Foundation's reliance on third party energy suppliers. Work has also been completed on the refurbishment of Kent and Edinburgh Houses, and our new Sixth Form Centre 'Gatton 6' was officially opened for the new school year. This £142,000 investment will expand and improve on existing facilities encouraging more pupils to study with us beyond year 11.

Trustees

Two new Trustees Ononuju Irukwu and Perry Spanyol were appointed on 22 March 2023. We welcome both to the team and look forward to their contributions and insight going forward.

After 14 years as a Trustee of the Foundation Dame Mary Richardson retired on 27 June 2023. Her educational experience has been particularly valuable over this period as well as the role she played in the staunch support of the Army Cadet Force (ACF). We will miss her and wish her well for the future.

Governance Review

Work on the implications of the Governance Review has continued throughout the year. Set out on pages 12 to 14 below is a discussion of the principles of the Charity Governance Code and the extent to which the Foundation either complies with the Code or where further work is required in this connection.



David Frank

Chairman

1 December 2023

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (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, Northern Counties Children's Benevolent Society, Royal National Children's SpringBoard Foundation, Royal National Children's Fund, Royal Pinner School Foundation, St Marylebone Educational Foundation, The Reedham Trust, Thornton, Sue Thomson Foundation, The NFL Trust and Anonymous Donors. Some 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 2023 (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 2022/23	Academic year 2021/22
	£	£
Boarding – junior and secondary	5,725	5,560
Boarding – sixth form	5,975	5,560
Flexi boarding – secondary	2,165	2,100
Flexi boarding – junior	1,580	1,535

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 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 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
 - 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 2023 (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:

- 105 pupils and their families supported by the Foundation, other charities and Local Authorities (September 2021: 101)
- 145 Ministry of Defence funded boarders (September 2021: 156)
- other pupils attending the school, including a Sixth Form of 195 pupils (September 2021: 214)
- 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, 105 (September 2021: 101) students were supported by the Foundation, other charities and local authorities. At September 2022, the Foundation supported 65 (September 2021: 68) boarding students with bursaries and continued working with the Heads of local schools in Merstham (the third most deprived ward in Surrey) to identify students who would benefit from flexi-boarding. As at September 2022, 33 (September 2021: 30) such students were being supported.

In addition to the bursaries granted, the Headmaster remits boarding charges in cases of occasional hardship. At September 2022, 1 student (September 2021: 5) benefited from Headmaster remission.

The value of means tested bursaries and Headmaster remission in the year amounted to £1,000,492 (2021/22: £873,463) and represented 9.0% (2021/22: 7.8%) of gross fees. A number of students 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 2023 (continued)

BURSARIES (continued)

The School offers scholarships to full boarder pupils who are high achievers in music and sport. Leadership scholarships are also available to Sixth Form applicants. During the year, the School awarded 29 scholarships together worth a total of £40,225 (2021/22: 31 scholarships worth £37,820).

FOUNDATIONER EDUCATION

This was the first year following the pandemic that has seen results return to that of pre-pandemic grading. Seven of the grades achieved by KS5 Foundation pupils were from BTEC courses and all achieved a pass grade or above, with two pupils achieving distinction grades and four achieving a merit grade. Of those KS5 Foundationers who took A Levels 50% of all grades achieved were C and above, with 97% grade E and above. Eleven of the thirteen KS5 Foundation pupils who sat exams accepted a place at university with one pupil successfully gaining a degree apprenticeship in Digital and Technology Solutions (Data Analyst) at Queen Mary's University London and as part of the course they will work with PwC.

62% of KS4 Foundationers were graded 4 or above in five or more subjects. 61% of KS4 Foundationers passed both English and Maths with at least a grade 4. All Foundationers stayed in further education, with eight staying at our Sixth Form, nine continuing at other colleges, including specialist colleges for Dramatic Arts and Hair and Beauty.

The key value-added measure in education is Progress 8 which seeks to measure the progress pupils make from 11 to 16 years of age. The national average is zero so a positive score highlights that the School is adding above average value. This year the estimated Progress 8 score for all Year 11 pupils is +0.1.

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.

The School offered a full co-curricular programme this year, and most Foundationers attended at least one club and achieved an attendance rate of 50% or above.

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.

SCHOOL GRANT

The grant paid to the School in the year to 31 August 2023 amounted to £272,080 (2022: £265,745).

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

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 2023 of £2,040,882 (2022: £1,651,199) 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.

The Estates team continues to be grown to enable more internal projects to be undertaken in house, and accelerate our boarding house refurbishment programme. Two additional team members were recruited by the year end, and there are two remaining vacancies which we plan to fill during the year.

Boarding House Refurbishment

The quality of our boarding accommodation is a key selling point in attracting new pupils to our school. In a shrinking market, it is critical we maintain our product to a good standard.

The boarding house refurbishment programme focusses on two areas, communal bathrooms and toilets and student bedrooms. These are the areas our research suggests have the greatest impact for our students. This year Edinburgh and Kent bathrooms were refurbished over the summer in addition Kent, Edinburgh and approximately half of Cornwall student bedrooms were also refurbished by the in house team.

Additionally further support for our 6th form was targeted and a vacant boarding house has been repurposed at ground floor level for a new 6th form centre called Gatton6. This was predominantly completed over the summer and formally launched on 18 September 2023.

Energy Efficiency

With recent changes in the global price of energy, greater focus has been brought on how we can reduce our energy consumption and costs across the estate. Much work has already been put into improving our energy efficiency over the past few years, and overall energy usage has fallen by approximately 25% since 2016/17, thanks to investment in insulation, LED lighting and the ground source heat pump (GSHP) project.

The GSHP Project was 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. The Foundation applied for Government backed financial incentives available through the Renewable Heat Incentive (RHI) for all of its plant rooms, and tariff guarantees were agreed in March 2020. The expected RHI funding receivable over 20 years is £7.3m.

Solar panels producing 393,000 MWh were targeted to be installed with work starting in September 2022. Approximately 75% of the programme had been completed by year end. There are no longer any government backed financial incentives for solar installation, but the on-site generation means much greater future resilience, as well as financial savings, for the Estate.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (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 2023 was £981,394 (2022: £383,301 deficit). This is stated after recognising one-off income relating to the defined benefit pension scheme, £0.7m, and unrealised investment losses of £0.3m (2022: £0.9m loss). The net surplus before these movements was £453,808 (2022: £531,817 surplus).

This year saw a reduction in boarding fee income however this was largely offset by an increase in lettings income. The school also benefited from legacy income of £252k and £121k government grant funding towards capital projects.

Funds continue to be spent to maintain facilities across the estate, with the most significant investments being in the boarding house refurbishment programme and solar panel installation.

Other educational income continues to be derived from educational lets and riding income. Property income comprises income from Gatton Park Lettings Limited.

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 2023 and compares the actual return with the benchmark.

	2022	2023	2023	2023
Quarterly	Dec	Mar	Jun	Sept
Actual return	1.18%	3.09%	0.66%	-1.04%
Benchmark return	3.53%	3.30%	0.94%	1.18%

The impact of stubborn inflation and the expectation of higher interest rates for longer, particularly on equities held within the portfolio, resulted in Investec's annual performance return of 3.9% falling behind the benchmark performance of 9.6%. Annualised performance over 3 years has weakened, reducing to 3.5% compared with a benchmark of 8.4%. This has resulted in the long term performance falling slightly beneath benchmark, although remains above the ARC Steady Growth index. The UK economic outlook is challenging and markets will remain uncertain and volatile until the effect of inflation and high interest rates stabilises.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

FINANCIAL REVIEW (continued)

Balance sheet

Of the £0.7m fixed asset additions in the year, £0.5m related to the solar panel programme, £0.1m to traffic management works and £0.1m to Temple Lodge.

Net current assets increased by £2m over the year, largely driven by a term deposit of £1.5m placed in December 2022 and an increase in cash balances being held at 31 August 2023.

A £1.3m loan was drawn in December 2022 to facilitate the investment in ground source heat pumps, network power supply upgrade and other energy efficiency works.

The pension scheme surplus of £714,000 (2022: £1,395,000) has not previously been recognised as it was considered a contingent asset. Steps have been taken during the year to secure the closure of the scheme which is now imminent and provides sufficient certainty to enable the value to be recognised in the balance sheet at 31 August 2023.

As a result of the surplus for the year, total net assets increased to £35.7m

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 are:

- The School should give its pupils a distinctly different start in life, preparing them for the world with hope, optimism, compassion and empathy.
- Our vision is a community which enhances lives, ignites curiosity and inspires compassionate leaders.
- The school will instil the values of ambition, courage, integrity and respect.

The School will offer:

- An ambitious and effective curriculum
- Exceptional behaviour and attitudes
- Exemplary personal development
- Inspirational and transformative leadership
- Excellent boarding and co-curricular provision
- Life enhancing opportunities through our charitable aims

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
- 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: The biggest item of expenditure is the cost of staffing.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

RESERVES AND FUNDING OF FUTURE WORK

With the exception of £19,000 (2022: £38,000) 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 £8.8m (being unrestricted funds of £35.7m net of tangible assets of £26.9m), which is wholly represented by investments, are essential to finance the Charity's support of Foundationers. Free unrestricted funds have increased by £1.7m since last year. 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 2023 was £92,426 (2022: £75,596). Lettings occupancy continued to improve this year following restrictions that were in place during the COVID-19 pandemic. The whole of the taxable profits of Gatton Park Lettings Limited are donated as a charitable donation to the Foundation.

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.

During the year the restoration of the Pulhamite pond in the Rock Garden continued and will be completed during the next year. Remedial work as a result of Ash dieback has also continued and a woodland management plan is being finalised to facilitate this work.

During the year 17,851 (2022: 16,792) visits were made to the park as part of our events, activities and educational work. In school holidays the site is let to other residential groups. In July 2022, Gatton Community Theatre used the park for performances of *Wind in the Willows*, with 1054 members of the cast, crew and audience in total. The Gatton Country Fair had lower visitor numbers than last year with 2636 people attending (2022: 3615 people our highest ever number). The reasons for this may be the post-Covid boom last year and increased price this year. Overall the experience was better for visitors this year and the income was not significantly reduced.

Volunteering is essential for our charitable activity to continue at the level we achieve. Volunteers help with every aspect of our work, from governance by our trustees, gardening and parkland conservation, supporting our school visits and family activities, running events, office work and fundraising. There are 101 volunteers who regularly support the work of the Trust (2022: 99 volunteers). In total they provided 7401 volunteer hours (2022: 4820).

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

THE GATTON TRUST LIMITED (continued)

Gatton Trust's surplus for the year ended 31 August 2023 was £16,429 (2022: £34,489). There was a surplus within unrestricted funds of £35,350 (2022: £23,650) reflecting continued financial stability.

At 31 August 2023, reserves amounted to £178,295 (2022: £161,866) of which £161,068 (2022: £125,718) comprise unrestricted reserves. As at 31 August 2023, unrestricted reserves included £91,415 (2022: £55,000) designated to future parkland projects and funding for the volunteer co-ordinator.

GOVERNANCE OF THE FOUNDATION AND SCHOOL

The governing bodies consist of:

- The Court of Governors, which comprises 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.
- The Board of Management which at 31 August 2023 comprised three principal officers and nine 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.

Compliance with Charity Governance Code

This section discusses the principles set out in the Charity Governance Code, analyses the extent to which the Foundation complies with them and highlights where further work in this area is required. Following the Governance Review in 2021 more detailed analysis of these principles has been undertaken with a view expressly to improving the Foundation's compliance with them.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

GOVERNANCE OF THE FOUNDATION AND SCHOOL (continued)

Principle 1: Organisational Purpose - The Board is clear about the charity's aims and ensures that they are being delivered effectively and sustainably

- The Governance Review clarified the Foundation's objectives and the Board is now clear about its sole purpose which is for the benefit and assistance of Foundationers. More emphasis is now being placed on this with participation in School affairs minimised other than to hold the Governing Body to account for those matters which are expressly within the remit of the Foundation.
- Regular reports are received at Board Meetings concerning the progress of Foundationers and the impact of the Foundation's work both on its own account and in conjunction with other charities whose objective is also to aid needy children.
- A practical limit of 10% of Foundationers means that, together with funds made available by other charities, the Foundation has no reason to believe that it will not have sufficient funds to enable it to fund its charitable objectives for the foreseeable future.

Principle 2: Every charity is headed by an effective Board that provides strategic leadership in line with the charity's aims and objectives

- A skills audit was undertaken in 2021 with a view to identifying potential gaps at individual trustee level. Overall the Board has focussed more on matters of strategy rather than attempting executive action but it has to be recognised that executive resources are perhaps more limited than they have been. Confining non-executive supervision to the Foundation only, as opposed to the School, have helped to bring matters into far sharper focus.

Principle 3: The Board acts with integrity. It adopts values, applies ethical principles to decisions and creates a welcoming and supportive culture which helps achieve the charity's purposes. The Board is aware of the significance of the public's confidence and trust in charities. It reflects the charity's ethics and values in everything it does. Trustees undertake their duties with this in mind.

- Expectations of trustees were codified in 2021 such that each trustee is required to sign individual trustee undertakings concerning their conduct as trustees, together with agreed role descriptions for trustees and the chair. As a consequence, whilst the view was previously taken that trustees' conduct could be left to the good sense of trustees the process is now much more transparent with there being no room for doubt over what is expected. More work needs to be done so that it can clearly be seen that trustees are discharging their safeguarding responsibilities. A presence on the Governing Body safeguarding committee may not be enough to underline that delegation of this responsibility is appropriate or sufficient.

Principle 4: The Board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk assessment and management systems are set up and monitored.

- A new risk register was adopted in 2021. This register covers both the School and the Foundation but this improves the demarcation between both entities and reduces the risk of one entity straying into the territory of the other. The register is reviewed half-yearly.
- Board decisions are taken on the basis of detailed papers such that each trustee has the opportunity to evaluate and challenge major decisions.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

GOVERNANCE OF THE FOUNDATION AND SCHOOL (continued)

- Financial controls are addressed in two ways. First the board receives an annual assessment on its financial controls from the auditors and secondly the F& GP committee scrutinises the Foundation's financial affairs a number of times each year so that appropriate monitoring is maintained.

Principle 5: The Board works as an effective team, using an appropriate balance of skills experience, backgrounds and knowledge to make informed decisions.

- Although the search for new trustees continues to be challenging, two new trustees were recruited during the year with additional skillsets widening the resources available to the Foundation.

Principle 6: Equality, Diversity and inclusion - The Board has a clear, agreed and effective approach to supporting equality, diversity and inclusion throughout the organisation and in its own practice. This supports good governance and the delivery of the organisation's charitable purposes.

- This remains an important goal, both in terms of non-executive and executive members. Cultural change is needed to ensure better diversity and equality but this is likely to continue to be a lengthy process.

Principle 7: Openness and accountability - The Board leads the organisation in being transparent and accountable

- Trustees' undertakings and role descriptions should provide a better structure for transparency. The Board is accountable to the Court but this currently comprises present and past board members who lack an ability to hold the Board to account. Although the Court receives the Annual Report and a progress report on Foundationers this is very much light touch. Improving the membership of the Court and improving its supervisory powers may go some way to addressing this.

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.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

GOVERNANCE OF THE FOUNDATION AND SCHOOL (continued)

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
Edward Winter	Honorary Treasurer – appointed 12 October 2022
Richard Wells FRICS	Comptroller
Nishma Acharya	
John Billingham	
Gary Griffin	
Ononuju Irukwu	appointed 22 March 2023
Dame Mary Richardson BA PGCE DBE FRSA	retired 27 th June 2023
Perry Spanyol	appointed 22 March 2023
Elizabeth Tadd	
Charles Wates BSc MRICS	
Jonathan White MBA	

All Trustees give their time freely and no remuneration or expenses were paid in the year with the exception of one Trustee who claimed £231.90 in expenses. 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 Bursar and Foundation Secretary, Deputy Head (Curriculum, Teaching and Learning), Deputy Head (Boarding, Co-curricular & Community), Deputy Head (Achievement, Standards & Inclusion), Assistant Heads (Director of Learning for KS3, KS4 and KS5), Assistant Heads (Director of Standards for KS3 and KS4) Assistant Head (Head of Juniors), Director of Resources and Operations, and Director of Marketing, Admissions & Development.

The headteacher carried out a full review of school staffing and leadership in early 2023. This led to a restructure of senior and middle leadership in order to improve capacity, accountability and performance. The new leadership model was implemented in September 2023. This included a move to a faculty structure and the creation of six faculties, each led by a director supported by a Deputy director and assistant director.

The school has been reorganised into three key functions: Curriculum, Teaching and Learning; Achievement, Standards and Inclusion; Boarding, Co-Curricular and Community. Each of these is led by a Deputy Headteacher who reports directly to the Headteacher.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

GOVERNANCE OF THE FOUNDATION AND SCHOOL (continued)

Other Senior Staff

The remuneration of the Governing Body employed 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.

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.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- 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 the listed walls.
- government policy relating to educational charities
- Limits on planning permission for temporary buildings

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.

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.

ROYAL ALEXANDRA AND ALBERT SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

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.

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

1 December 2023

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 for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, 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 FRS 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 charity's affairs as at 31 August 2023, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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's or charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The 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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 18, 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's and charity'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 charity 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.

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)

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.

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.

19 December 2023

Moore Kingston Smith LLP

Statutory Auditor

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 2023

		Unrestricted Funds		Restricted Funds	2023	2022
		Foundation Fund	Boarding School Fund			
		£'000	£'000	£'000	£'000	£'000
<u>INCOME FROM</u>						
Charitable activities						
Boarding charges	5	-	9,683	-	9,683	10,253
Other educational income	5	343	103	-	446	152
Donations and legacies						
Grants from government and other public bodies	4	-	-	121	121	42
Donations and other voluntary income	4	10	294	8	312	442
Legacy income	4	252	-	-	252	2
Trading activities						
Property income		92	-	-	92	75
Park conservation and environmental education		136	-	-	136	120
Investments	6	289	-	-	289	234
Other income		-	302	-	302	304
Total income		<u>1,122</u>	<u>10,382</u>	<u>129</u>	<u>11,633</u>	<u>11,624</u>
<u>EXPENDITURE ON</u>						
Charitable activities						
School and grant making		(2,018)	(9,068)	(26)	(11,112)	(11,037)
Raising funds						
Fundraising and development		-	-	-	-	-
Investment management costs		(36)	-	-	(36)	(37)
Property letting expenses		(33)	-	-	(33)	(18)
Total expenditure	7,8	<u>(2,087)</u>	<u>(9,068)</u>	<u>(26)</u>	<u>(11,181)</u>	<u>(11,092)</u>
Net income/(expenditure) before gains/losses on investments		(965)	1,314	103	452	532

ROYAL ALEXANDRA AND ALBERT SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

		Unrestricted Funds		Restricted Funds	2023	2022
		Foundation Fund	Boarding School Fund			
		£'000	£'000	£'000	£'000	£'000
Net income/(expenditure) before gains/losses on investments		(965)	1,314	103	452	532
Realised and Unrealised (loss)/gain on investments	12	(260)	-	-	(260)	(915)
Net income/(expenditure) after gains/losses on investments		(1,225)	1,314	103	192	(383)
Transfers between funds						
- Market rental charged by Foundation Fund to Boarding Fund		2,041	(2,041)		-	-
- Foundation Bursaries transferred to Boarding School Fund		(1,096)	1,097	(1)	-	-
- Additions and improvements to land and buildings		121	-	(121)	-	-
Other recognised gains and losses						
Actuarial gains/ (losses) on the defined benefit pension scheme	16	-	787	-	787	-
NET MOVEMENT IN FUNDS		(159)	1,157	(19)	979	(383)
Reconciliation of Funds						
FUND BALANCES brought forward at 1 September		33,094	1,591	38	34,723	35,106
FUND BALANCES carried forward at 31 August		32,935	2,748	19	35,702	34,723

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 2023

		At 31 August 2023		At 31 August 2022	
	Note	Group £'000	Foundation £'000	Group £'000	Foundation £'000
FIXED ASSETS					
Tangible assets	11	26,897	26,896	27,576	27,573
Investments	12	10,052	10,052	10,119	10,119
Total fixed assets		36,949	36,948	37,695	37,692
CURRENT ASSETS					
Debtors	13	729	635	1,053	990
Term deposit		3,636	3,636	2,083	2,083
Cash at bank and in hand		3,132	2,943	2,671	2,487
Pension Fund Asset	16	714	714		
Total current assets		8,211	7,928	5,807	5,560
Creditors: Amounts falling due within one year	14	(2,821)	(2,800)	(3,116)	(3,098)
NET CURRENT ASSETS/ (LIABILITIES)		5,390	5,128	2,691	2,462
TOTAL ASSETS LESS CURRENT LIABILITIES		42,339	42,076	40,386	40,154
Creditors: Amounts falling due after one year	15	(6,637)	(6,637)	(5,663)	(5,663)
TOTAL NET ASSETS		35,702	35,439	34,723	34,491
THE FUNDS OF THE CHARITY					
Restricted income funds	17,20	19	1	38	2
Unrestricted income funds		27,357	27,202	27,805	27,664
Designated funds	19	3,092	3,002	1,646	1,591
Revaluation reserve		5,234	5,234	5,234	5,234
Total unrestricted income funds	17,18	35,683	35,438	34,685	34,489
TOTAL CHARITY FUNDS		35,702	35,439	34,723	34,491

The financial statements on pages 24 to 52 were approved by the Board of Management on 1 December 2023 and signed on their behalf:



D T Frank
Chairman

ROYAL ALEXANDRA AND ALBERT SCHOOL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Year ended 31 August 2023		Year ended 31 August 2022	
		£'000	£'000	£'000	£'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Net cash provided by operating activities	22	1,898		677	
Interest paid		(226)		(152)	
Net cash used in operating activities			1,672		525
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Dividends and interest from investments		289		234	
Purchase of:					
Investments		(2,620)		(2,111)	
Fixed assets		(755)		(391)	
Proceeds from:					
Sale of investments		2,364		2,062	
Sale of fixed assets		12		-	
Decrease/(Increase) in short term deposits and investment adjustments		64		(130)	
Net cash used in investing activities			(646)		(336)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
New Borrowing:					
Lloyds Bank loans		1,300		-	
Repayment of Borrowing:					
Lloyds Bank loans		(312)		(291)	
Net cash used in financing activities			988		(291)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			2,014		(102)
Cash and cash equivalents at the beginning of the year			4,754		4,856
Cash and cash equivalents at the end of the year			6,768		4,754

ROYAL ALEXANDRA AND ALBERT SCHOOL

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

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 results for the year, before investment portfolio movements and recognition of the pension fund asset, show a surplus of £453k. Lower pupil numbers, leading to a reduction in fee income, remained the key driver of financial pressure as costs remained broadly similar. The Foundation was grateful to receive legacy income of £252k during the year which contributed substantially to the surplus. The Executive and Trustees, in conjunction with the Boarding Schools Association, are reviewing the operating model, and the state boarding market, in order to establish a sustainable strategic approach over the medium term. 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 2023 (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 2023 (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 2023 (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 defined benefit scheme is being closed and as there is certainty around the realisation of the asset it is now recognised in the balance sheet at 31 August 2023. In prior years the uncertainty has resulted in a £nil balance being recognised. 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 2023 (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 £2,040,882 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 2023 (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 2023 (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

	2023 £'000	2022 £'000
Grants, donations and legacy income comprise:		
Grants from government and other public bodies	121	42
Donations and other voluntary income	312	442
Legacy income	252	2
	<u>685</u>	<u>486</u>
Capital grants	121	42
Income grants and donations	564	444
	<u>685</u>	<u>486</u>

Grants from government and other public bodies comprise grants from the Department for Education ("DfE") of £121,053 towards capital projects (2022: £42,468).

ROYAL ALEXANDRA AND ALBERT SCHOOL

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

	2022 £'000
Royal National Children's Springboard Foundation	147
The Frank Buttle Trust UK	58
Anonymous Donor	30
Sue Thomson Foundation	11
The Emmott Foundation	9
The NFL Trust	6
St Marylebone Educational Foundation	6
Northern Counties Children's Benevolent Society	6
The Reedham Trust	5
Thornton	4
Naval Children's Charity	4
The Forces Trust	4
The BMTA Trust Limited	4
Royal Pinner School	2

5. INCOME FROM CHARITABLE ACTIVITIES

	Foundation Fund £'000	Boarding School Fund £'000	Restricted Funds £'000	2023 £'000	2022 £'000
Contributions towards boarding charges:					
Parental	-	10,776	-	10,776	11,210
Bursaries	-	(1,097)	-	(1,097)	(962)
Local Authorities	-	4	-	4	5
Total contributions	-	9,683	-	9,683	10,253
Other educational income	343	103	-	446	152
	343	9,786	-	10,129	10,405

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

6. INVESTMENT INCOME

The Group's investment income arises as follows:

	2023 £'000	2022 £'000
Dividends and interest	235	233
Interest receivable net of charges paid	54	1
	<u>289</u>	<u>234</u>

7. TOTAL EXPENDITURE BY ACTIVITY TYPE

	Direct costs £'000	Support and governance costs £'000	2023 £'000
Current year			
School and grant making	9,076	2,036	11,112
Fundraising and development	-	-	-
Investment management	36	-	36
Property lettings	24	9	33
	<u>9,136</u>	<u>2,045</u>	<u>11,181</u>
Comparative year			
School and grant making	9,340	1,697	11,037
Fundraising and development	-	-	-
Investment management	37	-	37
Property lettings	9	9	18
	<u>9,386</u>	<u>1,706</u>	<u>11,092</u>

8. ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

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

	School and grant making £'000	Property lettings £'000	2023 £'000
Current year			
Management	276	-	276
Professional fees	89	-	89
Staff costs	1,125	9	1,134
Other costs	392	-	392
Governance costs	80	-	80
	<u>1,962</u>	<u>9</u>	<u>1,971</u>

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

8. ALLOCATION OF SUPPORT AND GOVERNANCE COSTS (continued)

Comparative year	School and grant making £'000	Property lettings £'000	2022 £'000
Management	272	-	272
Professional fees	46	-	46
Staff costs	965	9	974
Other costs	319	-	319
Governance costs	95	-	95
	<u>1,697</u>	<u>9</u>	<u>1,706</u>

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2023 £'000	2022 £'000
Net income/(expenditure) is stated after charging:		
Depreciation	1,432	1,435
Operating lease rentals	162	165
Bank charges and interest payable	247	175
Auditors' remuneration		
- Fees	30	26
- Other Services	1	1

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:

	2023	2022
Management	27	26
Welfare	96	99
Maintenance	22	20
	<u>145</u>	<u>145</u>

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

	2023	2022
Management	22	21
Welfare	58	61
Maintenance	17	14
	<u>97</u>	<u>96</u>

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

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

Total compensation for all staff:

	2023	2022
	£'000	£'000
Wages and salaries	2,911	2,788
Social security costs	252	243
Pension costs – defined benefits	57	170
Pension costs – defined contributions	157	148
Termination benefits	17	-
	<u>3,394</u>	<u>3,349</u>

Total compensation for key management:

	2023	2022
	£'000	£'000
Salaries	346	333
Benefits in kind	6	4
Pension costs	22	18
Termination benefits	11	-
Aggregate emoluments	<u>385</u>	<u>355</u>

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

	2023	2022
£60,001 to £70,000	1	2
£90,001 to £100,000	-	-
£100,001 to £110,000	1	1

A payment of £263,588 was made to the school in respect of staff costs incurred by the school for boarding related duties for the year ended 31 August 2023 (2022: £262,083). This is not part of staff costs disclosed above.

No member of the Board of Management received remuneration in the current year. No expenses were paid in the year with the exception of one Trustee where £231.90 in expenses were claimed.

Termination benefits of £17,321 (2022: none) 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 2023 (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
COST					
1 September 2022	36,882	232	2,015	208	39,337
Additions	-	745	3	6	754
Transfer	731	(762)	31	-	-
Disposals	-	-	(111)	(3)	(114)
31 August 2023	37,613	215	1,938	211	39,977
ACCUMULATED DEPRECIATION					
1 September 2022	(9,799)	-	(1,791)	(171)	(11,761)
Charge for year	(1,299)	-	(109)	(24)	(1,432)
Disposals	-	-	110	3	113
31 August 2023	(11,098)	-	(1,790)	(192)	(13,080)
NET BOOK VALUE					
31 August 2022	27,083	232	224	37	27,576
31 August 2023	26,515	215	148	19	26,897

Foundation	Freehold land and buildings £'000	Projects in progress £'000	Furniture, equipment and horses £'000	Motor vehicles £'000	Total £'000
COST					
1 September 2022	36,882	232	2,010	200	39,324
Additions	-	745	4	5	754
Transfer	731	(762)	31	-	-
Disposals	-	-	(111)	(3)	(114)
31 August 2023	37,613	215	1,934	202	39,964
ACCUMULATED DEPRECIATION					
1 September 2022	(9,799)	-	(1,787)	(166)	(11,752)
Charge for year	(1,299)	-	(109)	(21)	(1,429)
Disposals	-	-	110	3	113
31 August 2023	(11,098)	-	(1,786)	(184)	(13,068)
NET BOOK VALUE					
31 August 2022	27,083	232	224	34	27,573
31 August 2023	26,515	215	148	18	26,896

ROYAL ALEXANDRA AND ALBERT SCHOOL

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

	2023 £'000	2022 £'000
Investments comprise:		
UK Fixed Interest	747	426
Overseas Fixed Interest	253	467
Equities and Unit Trusts	8,639	9,027
	<u>9,639</u>	<u>9,920</u>
Short term deposits	413	199
Group total investments	<u>10,052</u>	<u>10,119</u>
Investment in subsidiaries	-	-
Foundation total investments	<u>10,052</u>	<u>10,119</u>

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

	2023 £'000	2022 £'000
UK Listed Investments		
At 1 September	9,920	10,738
Additions	2,620	2,111
Disposal proceeds	(2,364)	(2,062)
Adjustments	(1)	35
Realised & unrealised gain on investment	<u>(259)</u>	<u>(902)</u>
Market value at 31 August	<u>9,916</u>	<u>9,920</u>
Historical cost at 31 August	<u>8,083</u>	<u>7,257</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 2023 (continued)

12. INVESTMENTS (continued)

	2023	2022
	£	£
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.

	2023	2022
	£'000	£'000
Turnover	92	75
Expenditure	(8)	(7)
Operating profit donated to the Foundation	84	68
Assets	108	87
Liabilities	(24)	(19)
Funds	84	68

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.

	2023	2022
	£'000	£'000
Turnover	148	141
Expenditure	(132)	(107)
Operating surplus/(deficit)	16	34
Assets	188	186
Liabilities	(10)	(24)
Funds	178	162

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 2023.

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

13. DEBTORS

	31 August 2023		31 August 2022	
	Group £'000	Foundation £'000	Group £'000	Foundation £'000
Trade debtors	226	120	289	204
Amounts owed by group undertakings	-	12	-	23
Other debtors	214	214	547	547
Prepayments and accrued income	289	289	217	216
	<u>729</u>	<u>635</u>	<u>1,053</u>	<u>990</u>

Trade debtors are stated after bad debt provision of £479,371 (2022: £408,065). During the year bad debts totalling £157,680 (2022: £120,955) 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 2023		31 August 2022	
	Group £'000	Foundation £'000	Group £'000	Foundation £'000
Trade creditors	527	526	807	806
Taxation and social sec.	62	62	60	60
Other creditors	80	63	82	68
Amounts owed to group undertakings	-	-	-	-
Lloyds loan	296	296	291	291
Boarding charges in advance	1,100	1,100	1,203	1,203
Boarding charge deposits	216	216	183	183
Accruals and deferred income	540	537	490	487
	<u>2,821</u>	<u>2,800</u>	<u>3,116</u>	<u>3,098</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 2023 (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 2023		31 August 2022	
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
At 1 September	1,203	1,203	1,763	1,763
Amount released in year	(1,203)	(1,203)	(1,763)	(1,763)
Amount deferred in year	1,100	1,100	1,203	1,203
At 31 August	<u>1,100</u>	<u>1,100</u>	<u>1,203</u>	<u>1,203</u>

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

	31 August 2023		31 August 2022	
	Group	Foundation	Group	Foundation
	£'000	£'000	£'000	£'000
Instalment debts				
Due 2 to 5 years	1,011	1,011	895	895
Due after 5 years	4,680	4,680	3,813	3,813
	<u>5,691</u>	<u>5,691</u>	<u>4,708</u>	<u>4,708</u>
Fee Deposits				
Due 2 to 5 years	624	624	622	622
Due after 5 years	322	322	333	333
	<u>946</u>	<u>946</u>	<u>955</u>	<u>955</u>
TOTAL	<u>6,637</u>	<u>6,637</u>	<u>5,663</u>	<u>5,663</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 £66,666 are that interest only was payable until April 2014 and the loan is then repayable in 30 termly instalments finishing in January 2024. The interest rate is 1.2% plus base rate.

The terms of the outstanding bank loan of £4,643,473 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 interest rate is fixed on £4,000,000 at 3.044%, and variable on the remaining loan balance at 2.31% plus base rate.

A loan of £1,300,000 was drawn in December 2022, the outstanding balance is £1,276,583. The loan is repayable in monthly instalments over 20 years. The interest rate is 2.31% plus base rate.

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (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 £9,249 (2022: £7,692) were made during the year. As at 31 August 2023 no contributions (2022: none) were payable to the scheme. The other scheme is an auto enrolment "qualifying" scheme established with National Employment Savings Trust. Contributions of £139,309 (2022: £130,235) were made during the year. As at 31 August 2023 contributions totalling £18,817 (2021: £17,252) were payable to the scheme.

Gatton Trust operates a defined contribution scheme with Whitechurch and with National Employment Savings Trust. Contributions of £1,760 (2022: £2,258) 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 2023 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. The employer had 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 contributed £5,500 a month towards the expenses of the scheme. Given the surplus of the scheme these contributions ceased from 1 January 2023. Contributions paid by the Foundation during the year ended 31 August 2023 were £55,200 (2022: £165,600).

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (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 (2021: 5%). The current service cost for this scheme for the year was nil (2021: £3,000).

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.

	2023	2022
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment accrued before 6 April 1997	5.0%	5.0%
Rate of increase in pensions in payment accrued 6 April 1997 - 5 April 2007	3.0%	3.3%
Rate of increase in pensions in payment accrued after 5 April 2007	3.0%	2.1%
Rate of increase in deferred pensions accrued before 1 October 2003	5.0%	5.0%
Rate of increase in deferred pensions accrued 1 October 2003 - 5 April 2009	2.3%	2.8%
Rate of increase in deferred pensions accrued after 5 April 2009	2.8%**	2.3%
Rate of increase in pensions in payment capped at 2.5%	n/a	2.1%
Discount rate*	5.2%	4.2%
Inflation rate (pre-retirement)	3.3%	3.8%
Inflation rate (post-retirement)	3.2%	3.5%
Inflation rate (CPI)	2.3%	2.8%

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

** Subject to a maximum of 2.5% pa throughout the period of deferment

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

	2023	2022
	Years	Years
Retiring today - Men	26.4	26.4
Retiring today - Women	29.0	29.0
Retiring in 20 years - Men	27.6	27.5
Retiring in 20 years - Women	30.2	30.2

The major categories of scheme assets are as follows:

	2023	2022
	£'000	£'000
UK Equities		1,031
Global Equities		1,384
Government Bonds		711
Corporate Bonds		737
Cash	714	95
Value of annuities*	4,577	2,611
Total scheme assets	5,291	6,569

*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 2023 (continued)

16. PENSION SCHEME OBLIGATIONS (continued)

Analysis of amounts charged to statement of financial activities:

	2023 £'000	2022 £'000
Current service cost	-	(3)
Past service cost	(59)	-
Expenses	(83)	(74)
Net interest credit/(cost)	57	13
Unrecognised net interest credit	(57)	(13)
Net cost recognised as an expense	(142)	(77)
Return on pension scheme assets excluding interest income	(1,273)	(1,574)
Net scheme surplus not recognised	1,452	(632)
Actuarial gain/(loss) in the present value of liabilities	608	2,113
Total actuarial gain/(loss) recognised	787	(93)

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)	6,570	(5,175)	1,395
Current service cost	-	-	-
Past service cost	-	(59)	(59)
Interest income/(cost)	270	(213)	57
Actuarial gain/(loss)	(1,273)	608	(665)
Contributions by employer	69	-	69
Contributions by scheme participants	-	-	-
Benefits paid	(261)	261	-
Expenses paid	(83)	-	(83)
Closing scheme assets/(liabilities)	5,292	(4,578)	714

The total return on scheme assets for the year was a £1,279,000 loss (2022: £1,668,000 loss).

The actuarial valuation at 31 August 2023 generated a net scheme asset of £714,000 (2022: £1,395,000). In prior years this net scheme asset has not been recognised due to uncertainty over its recoverability. The Trustees have commenced a process to close the defined benefit scheme. Whilst this is not yet finalised, policies to cover the remaining scheme member benefits have been secured and there is sufficient certainty to recognise the scheme surplus of £714,000. The surplus is stated after making provision for future expenses of £44,000.

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group				
Current year	Unrestricted	Designated	Restricted	Total funds
	funds	funds	funds	2023
	£'000	£'000	£'000	£'000
Fixed assets	26,894	-	3	26,897
Investments	10,052	-	-	10,052
Net current assets/(liabilities)	2,282	3,092	16	5,390
Non-current liabilities	(6,637)	-	-	(6,637)
Net assets	32,591	3,092	19	35,702
Comparative year	Unrestricted	Designated	Restricted	Total funds
	funds	funds	funds	2022
	£'000	£'000	£'000	£'000
Fixed assets	27,573	-	3	27,576
Investments	10,119	-	-	10,119
Net current assets/(liabilities)	1,010	1,646	35	2,691
Non-current liabilities	(5,663)	-	-	(5,663)
Net assets	33,039	1,646	38	34,723
Foundation	Unrestricted	Designated	Restricted	Total funds
	funds	funds	funds	2023
	£'000	£'000	£'000	£'000
Fixed assets	26,896	-	-	26,896
Investments	10,052	-	-	10,052
Net current assets/(liabilities)	2,125	3,002	1	5,128
Non-current liabilities	(6,637)	-	-	(6,637)
Net assets	32,436	3,002	1	35,439
Comparative year	Unrestricted	Designated	Restricted	Total funds
	funds	funds	funds	2022
	£'000	£'000	£'000	£'000
Fixed assets	27,573	-	-	27,573
Investments	10,119	-	-	10,119
Net current assets/(liabilities)	869	1,591	2	2,462
Non-current liabilities	(5,663)	-	-	(5,663)
Net assets	32,898	1,591	2	34,491

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

18. GROUP STATEMENT OF FUNDS

	At 1 Sept 2022 £'000	Income £'000	Expenditure £'000	Fund transfers £'000	At 31 Aug 2023 £'000
Unrestricted funds:					
- Foundation Fund	33,094	1,121	(2,348)	1,066	32,933
- Boarding School Fund	1,591	11,171	(9,068)	(944)	2,750
Restricted funds	38	129	(26)	(122)	19
	<u>34,723</u>	<u>12,421</u>	<u>(11,442)</u>	<u>-</u>	<u>35,702</u>
	At 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Fund transfers £'000	At 31 Aug 2022 £'000
Unrestricted funds:					
- Foundation Fund	34,728	513	(2,878)	731	33,094
- Boarding School Fund	351	11,048	(9,120)	(688)	1,591
Restricted funds	27	63	(9)	(43)	38
	<u>35,106</u>	<u>11,624</u>	<u>(12,007)</u>	<u>-</u>	<u>34,723</u>

19. GROUP DESIGNATED FUNDS

Group and Foundation unrestricted funds include the following designated funds:

	At 1 Sept 2022 £'000	New designations £'000	Utilised £'000	At 31 Aug 2023 £'000
Boarding School Fund	1,591	11,171	(10,012)	2,750
John Philip Waddington Legacy		252		252
Foundation designated funds	<u>1,591</u>	<u>11,423</u>	<u>(10,012)</u>	<u>3,002</u>
Gatton Trust – Park Conservation	55	35	0	90
Group designated funds	<u>1,646</u>	<u>11,458</u>	<u>(10,012)</u>	<u>3,092</u>
	At 1 Sept 2021 £'000	New designations £'000	Utilised £'000	At 31 Aug 2022 £'000
Boarding School Fund	351	11,048	(9,808)	1,591
Foundation designated funds	<u>351</u>	<u>11,048</u>	<u>(9,808)</u>	<u>1,591</u>
Gatton Trust – Park Conservation	-	70	(15)	55
Group designated funds	<u>351</u>	<u>11,118</u>	<u>(9,823)</u>	<u>1,646</u>

ROYAL ALEXANDRA AND ALBERT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023 (continued)

19. GROUP DESIGNATED FUNDS (continued)

New designations in Gatton Trust represent unrestricted funds set aside by the Trustees to fund approved expenditure on various projects, all of which involve the reconstruction and conservation of the gardens and parkland.

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

20. GROUP RESTRICTED FUNDS

	At 1 Sept 2022 £'000	Income/ Capital £'000	Utilised £'000	At 31 Aug 2023 £'000
DfE building grants	-	121	(121)	-
Weir Bridge fund	1	-	-	1
University of Bristol prize fund	1	-	(1)	-
Foundationer Fund	-	1	(1)	-
Foundation restricted funds	2	122	(123)	1
Gatton Trust – Park Conservation & Education	36	7	(25)	18
Group restricted funds	38	129	(148)	19

	At 1 Sept 2021 £'000	Income/ Capital £'000	Utilised £'000	At 31 Aug 2022 £'000
DfE building grants	-	42	(42)	-
Weir Bridge fund	1	-	-	1
University of Bristol prize fund	1	-	-	1
Foundationer Fund	-	1	(1)	-
Foundation restricted funds	2	43	(43)	2
Gatton Trust – Park Conservation & Education	25	20	(9)	36
Group restricted funds	27	63	(52)	38

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.

ROYAL ALEXANDRA AND ALBERT SCHOOL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023
(continued)

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:

	2023	2022
	£'000	£'000
Within one year	39	52
Within two to five years	96	124
After five years	23	34
	<u>158</u>	<u>210</u>

The Foundation had capital commitments in respect of the solar project of £156,960. (2022: none)

22. CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES

	2023	2022
	£'000	£'000
Net income/(expenditure) for the year	192	(383)
Adjustments for:		
(Gain)/Loss on investments	259	902
Interest paid	226	152
Investment income	(289)	(234)
Depreciation charge	1,432	1,435
Pension adjustment FRS102	74	
(Profit)/Loss on sale of assets	(11)	
Movements in working capital:		
Decrease/(Increase) in debtors	324	(508)
(Decrease)/Increase in creditors	(309)	(687)
Net cash inflow from group operations	<u>1,898</u>	<u>677</u>

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sept	Cash	Other	At 31 Aug
	2022	flows	non-cash	2023
	£'000	£'000	changes	£'000
Cash and cash equivalents				
Cash at bank and in hand	4,754	2,014	-	6,768
	<u>4,754</u>	<u>2,014</u>	<u>-</u>	<u>6,768</u>
Borrowings				
Debt due within one year	(291)	-	(5)	(296)
Debt due after one year	(4,708)	(988)	5	(5,691)
	<u>(4,999)</u>	<u>(988)</u>	<u>-</u>	<u>(5,987)</u>
Total	<u>(245)</u>	<u>1,026</u>	<u>-</u>	<u>781</u>

ROYAL ALEXANDRA AND ALBERT SCHOOL

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

(continued)

23. ANALYSIS OF CHANGES IN NET DEBT (continued)

	At 1 Sept 2021 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 Aug 2022 £'000
Cash and cash equivalents				
Cash at bank and in hand	4,856	(102)	-	4,754
	<u>4,856</u>	<u>(102)</u>	<u>-</u>	<u>4,754</u>
Borrowings				
Debt due within one year	(293)	-	2	(291)
Debt due after one year	(4,997)	291	(2)	(4,708)
	<u>(5,290)</u>	<u>291</u>	<u>-</u>	<u>(4,999)</u>
Total	<u>(434)</u>	<u>189</u>	<u>-</u>	<u>(245)</u>

24. FINANCIAL INSTRUMENTS

	2023 £'000	2022 £'000
Financial assets held at amortised cost:		
Trade debtors	226	289
Accrued income	12	2
Other debtors	214	547
	<u>452</u>	<u>838</u>
Financial assets held at fair value through profit and loss:		
Investments	10,052	10,119
Financial liabilities held at amortised cost:		
Creditors: amounts falling due within one year		
Trade creditors	527	807
Accruals	280	434
Lloyds loans	295	291
Other creditors	358	325
	<u>1,460</u>	<u>1,907</u>
Creditors: amounts falling due after one year		
Lloyds loans	5,692	4,708
Other creditors	945	955
	<u>6,637</u>	<u>5,663</u>

ROYAL ALEXANDRA AND ALBERT SCHOOL

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

	2023 £'000	2022 £'000
Grant to School	272	266
Salary reallocation charge	263	262
Recharged by Foundation to School:		
Salaries	85	61
Other (net of VAT)	213	291
Recharged by School to Foundation:		
Salaries	119	124
Other (net of VAT)	80	81
Purchases from related parties:		
Gatton Community Theatre	2	1

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

Name	Annual transaction value	Amount outstanding at 31 Aug 2023
G Bendall	£3,754	(£855)
J Czerpak	£792	-
S King	£2,944	-
L Miller	£4,780	(£1,554)
J Gale	£5,459	-
S Greenwood	£6,850	(£123)
B Maddox	£3,176	(£1,179)
M Thomas	-	(£556)
S Wheeler	£6,077	-

ROYAL ALEXANDRA AND ALBERT SCHOOL
REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2023

Registered Name:	Royal Alexandra and Albert School
Charity Number:	311945
Principal Address:	Foundation Office Gatton Park Reigate Surrey RH2 0TW Tel: 01737 649050
Solicitors:	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers:	Lloyds Bank plc 1/5 The Broadway Crawley Surrey RH10 1DU
Investment Advisers:	Investec Wealth & Investment Ltd 30 Gresham Street London EC2V 7QN
Independent Auditors:	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 2023 (continued)

PATRON Her Late Majesty Queen Elizabeth II

PRESIDENT HRH The Duchess of Gloucester

BOARD OF MANAGEMENT

David Frank	Chair
Edward Winter	Honorary Treasurer
Richard Wells FRICS	Comptroller

Nishma Acharya	
John Billingham	
Gary Griffin	
Ononju Irukwu	appointed 22 March 2023
Dame Mary Richardson BA PGCE DBE FRSA	retired 27 June 2023
Perry Spanyol	appointed 22 March 2023
Elizabeth Tadd	
Charles Wates BSc MRICS	
Jonathan White MBA	

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	
Crispin Blunt MP	
Helyn Clack	
Canon Peter Bruinvels	
Rt Rev Jonathan Clark	resigned 19 January 2023
David Frank	(ex officio – Chairman Board of Management)
William Gillen	
Ali Henderson	
Saj Hussain	(Chairman of Surrey County Council)
Richard Link	
Dr Julie Llewellyn	
Dr Jeffrey Magee	resigned 19 September 2023
James Meyer	
Nick Owen	appointed 23 January 2023
Dame Mary Richardson	appointed 27 June 2023
Dorothy Ross-Tomlin	
Paul Ryder	
Tony Samuels	

ROYAL ALEXANDRA AND ALBERT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2023 (continued)

MEMBERS OF THE COUNCIL (continued)

The Hon Mrs Lavinia Sealy	resigned 15 September 2023
Adrian Smart	resigned 14 April 2023
Katie Sunley	
Sally Varah DL	
Andrew Wates	resigned 24 July 2023
Richard Wells	(ex officio - Comptroller Board of Management)
Graham Williams	
Edward Winter	(ex officio – Honorary Treasurer)

FINANCE & GENERAL PURPOSES (F&GP) COMMITTEE

Edward Winter	Chair
Morgan Thomas	Headteacher
David Frank	
Charles Wates	
Richard Wells	

INVESTMENT COMMITTEE

David Frank	Chair
Richard Wells	
Edward Winter	
Edward Williams	

ROYAL ALEXANDRA AND ALBERT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2023 (continued)

BURSARY COMMITTEE

David Frank	Chair
Nishma Acharya	
John Billingham	
Elizabeth Tadd	
<i>Jonathan Boyce</i>	Chaplain
<i>Elizabeth Lowe</i>	Bursar
<i>Morgan Thomas</i>	Headteacher

REMUNERATION COMMITTEE

John Billingham	Chair
David Frank	Chair of the Board of Management
<i>David Clamp</i>	Chair of Governing Body

ROYAL ALEXANDRA AND ALBERT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS AS AT 31 AUGUST 2023 (continued)

GATTON TRUST LIMITED

David Frank	Chair
Peter Dawson	
<i>Maggie Kippen</i>	
<i>Alan Mortlock</i>	
<i>Helen Neve</i>	
<i>Gail Sperrin</i>	

GATTON PARK LETTINGS LIMITED

Covered under the F&GP committee

Richard Wells	Chair
David Frank	
<i>Peter Dawson</i>	<i>resigned 30 March 2023</i>
<i>Elizabeth Lowe</i>	

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