RUGBY SCHOOL

England & Wales · Charity number 528752

Details

Status	Registered
Legal form	Other
Registered	1971-01-22
Register	View on the Charity Commission register

Contact

Address	Rugby School Bursary 10 Little Church Street Rugby CV21 3AW
Phone	01788556260
Email	bursary@rugbyschool.net
Website	www.rugbyschool.co.uk

Activities

Objects: THE PROVISION OF A BROAD LIBERAL CHRISTIAN EDUCATION AT A BOARDING AND DAY SCHOOL AT RUGBY ("RUGBY SCHOOL") FOR CHILDREN FROM RUGBY AND NEIGHBOURHOOD AND ELSEWHERE, AND BY ANCILLARY OR INCIDENTAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.

Activities: The School's principal activity is the education and pastoral care of its pupils.The provision of a broad liberal Christian education at a boarding and day school at Rugby School for children from Rugby and neighbourhood and elsewhere, and by ancillary or incidental activities and other associated activities for the benefit of the community.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

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Geography

- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£57,396,000	£63,565,000	£222,746,000	774
2024-06-30	£54,595,000	£59,377,000	£226,345,000	791
2023-06-30	£51,000,000	£53,159,000	£223,347,000	760
2022-06-30	£46,499,000	£46,182,000	£235,573,000	703
2021-06-30	£41,218,000	£41,962,000	£227,664,000	684
2020-06-30	£48,187,000	£37,678,000	£211,786,000	633

Trustees

Name	Role	Appointed
Nicholas Patrick Bacon	Chair	2020-11-18
Caroline Thompson		2021-11-05
Christopher David Greenhalgh		2023-09-01
Christopher David Porter		2025-09-01
Duncan Skailes		2020-04-01
Ed Lane Fox LVO		2026-04-17
Flora Joyce McLean		2024-11-20
George Henry Fraser Swan		2024-11-20
Jeremy Christopher Catterall Maddocks		2024-11-20
The Reverend Canon Dr Mark Pryce		2021-09-01
Trevor John Strain		2024-11-20

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Linked charities

- BENN FUND (528752-1)
- ALLEN FUND (528752-10)
- RUGBY SCHOOL BURSARY FUND (528752-100)
- RUGBY SCHOOL COLLECTIONS FUND (528752-101)
- RUGBY SCHOOL CHAPEL FUND (528752-102)
- RUGBY SCHOOL CONYBEARE FUND (528752-103)
- CALROW FUND (528752-11)
- HOYLE FUND (528752-12)
- HUTCHINSON FUND (528752-13)
- JUDGE FUND (528752-14)
- LAWRENCE BEQUEST (528752-15)
- LITTLEBOY FUND (528752-16)
- MITCHELL FUND (528752-17)
- OLD HALL FUND (528752-18)
- PERCIVAL FUND (528752-19)
- DERBY FUND (528752-2)
- SELOUS FUND (528752-20)
- SHARP FUND (528752-21)
- THEOBALD FUND (528752-22)
- WAKE FUND (528752-23)
- WHEATCROFT FUND (528752-24)
- WILLIAMS FUND (528752-25)
- WYLEY FUND (528752-26)
- BAINES PRIZE FUND (528752-27)
- BARTON (528752-28)
- BIBLE PRIZE (528752-29)
- GAIR FUND (528752-3)
- BOWEN PRIZE FUND (528752-30)
- BRADLEY PRIZE FUND (528752-31)
- BROCK FUND (528752-32)
- BUXTON PRIZE FUND (528752-33)
- CORDERY PRIZE FUND (528752-34)
- DRAPER PRIZE FUND (528752-35)
- DUMERGUE PRIZE FUND (528752-36)

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- DYCE NICOL PRIZE FUND (528752-37)
- CHARLES EVANS MEMORIAL FUND (528752-38)
- JOHN MONRO GIBSON MEMORIAL PRIZE FUND (528752-39)
- JUBBER FUND (528752-4)
- GUEDALLA PRIZE FUND (528752-40)
- HODGSON PRIZE FUND (528752-41)
- GEOFFREY HUGHES PRIZE FUND (528752-42)
- TOM HUGHES (528752-43)
- HUNTER MEDALLION FUND (528752-44)
- JAMES PRIZE (528752-46)
- JEX-BLAKE PRIZE FUND (528752-47)
- LAKE FUND (528752-48)
- MATHEMATICAL PRIZE (528752-49)
- LEWIS FUND (528752-5)
- MILLS-BAKER PRIZE (528752-50)
- PADDISON PRIZE FUND (528752-51)
- PAYEN-PAYNE PRIZE FUND (528752-52)
- QUEEN VICTORIA MEMORIAL FUND (528752-53)
- ROBINSON PRIZE FUND (528752-54)
- ALEXANDER ROBERT RONALD PRIZE FUND (528752-55)
- TAIT (528752-56)
- F C O TWIST PRIZE (528752-57)
- TYSOR PRIZE FUND (528752-58)
- MYNORS FUND (528752-6)
- VEEQUERAY PRIZE FUND (528752-60)
- PETER WALKER TRUST FUND (528752-61)
- WRIGLEY PRIZE FUND (528752-62)
- CHARLES FRANCIS MAISTER BAINES EXHIBITION (528752-63)
- JEX-BLAKE EXHIBITION (528752-65)
- LEES-KNOWLES EXHIBITION (528752-66)
- ROBERT MYNORS (528752-67)
- FRANK AND NORMAN PARRY MEMORIAL FUND (528752-68)
- THOMAS SPROAT (528752-69)
- STOVIN EXHIBITION (528752-7)
- STOVIN FOUNDATION (528752-70)

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- WADDINGTON EXHIBITIONS (528752-71)
- SCHOLARSHIPS AUGMENTATION (528752-72)
- EXHIBITIONS AUGMENTATION (528752-73)
- SCHOOL CHAPEL (528752-74)
- MEMORIAL CHAPEL FUND (528752-75)
- BLOXAM LIBRARY FUND (528752-77)
- MEMORIAL SERMON (528752-78)
- BURN ART MUSEUM FUND (528752-79)
- TAIT FUND (528752-8)
- BURN LIBRARY FUND (528752-80)
- HODGSON LIBRARY FUND (528752-81)
- DEWAR TRAVELLING SCHOLARSHIPS (528752-82)
- FOUNDERS' FUND (528752-84)
- PETER WALKER TRUST FUND (528752-86)
- WALROND FUND (528752-9)
- PETER MAYO MEMORIAL TRUST (528752-90)
- RALPH EVERS FUND (528752-91)
- VAUGHAN PRIZE FUND (528752-93)
- HURLO PRIZE FUND (528752-95)
- RUGBY SCHOOL COMMON INVESTMENT FUND (528752-96)
- RUGBY SCHOOL PRIZE FUND (528752-97)
- RUGBY SCHOOL SCHOLARSHIP FUND (528752-98)
- RUGBY SCHOOL LEAVING EXHIBITION FUND (528752-99)

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RUGBY SCHOOL

England & Wales - Charity number 528752

Accounts

Rugby School

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Registered Charity Number 528752
www.rugbyschool.co.uk

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Governing Body	Appointed by
N Bacon FCA, CTA (1,7, 10,11) (Chair)	Governing Body
R Aggarwal, MA, MBA (10)	Governing Body
J C Barwell OBE (resigned 17 October 2024)	Governing Body
E Marsden (Beesley) (2,4) (appointed 1 July 2024)	Common Room
C A Thompson (Coates) LLB (1,5,6,12) (Deputy Chair)	Governing Body
C Greenhalgh (3,5) (appointed 4 September 2024)	Governing Body
A S Habib (resigned 20 November 2024)	Governing Body
J Maddocks (11) (appointed 20 November 2024)	Governing Body
C Marten MA (resigned 5 March 2025)	Governing Body
F McLean (1,2,4) (appointed 20 November 2024)	Governing Body
C Porter (6) (appointed 1 July 2025)	Governing Body
Rev Canon Dr M Pryce (3)	Governing Body
General Sir T Radford KCB DSO OBE (1)	Governing Body
D Skailes BSC, FCA (1,7,10) (Deputy Chair)	Governing Body
T Strain (7,8,11) (appointed 20 November 2024)	Governing Body
G Swan (10) (appointed 20 November 2024)	Governing Body

Membership of Principle Governing Body Committees (as of date of this report)

(1) Nominations	(2) Group Safeguarding	(3) RS Education
(4) RS Student Past. Welfare	(5) BG Board	(6) Aysgarth Board
(7) Finance, Audit & Estates	(8) Investments	(9) London Estate
(10) Global Strategy	(11) Fundraising	(12) Risk and Compliance

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Head Master of Rugby School
G Parker-Jones MA, PGCE

Chief Operating Officer and Clerk to the Governing Body
P A Nicholls MA, FCA – resigned 31 August 2024
Dr D J White PhD, FCA – appointed 1 October 2024

Head Master of Bilton Grange
G E B Jones MEd, BA, PGCE

CEO Rugby School Global
Dr N G Hampton MA, PhD, PGCE

Principal Address and Registered Office
Rugby School, The Bursary, 10, Little Church Street, Rugby, CV21 3AW

Auditor
Crowe U.K. LLP
Cheltenham

Advisers

Bankers
National Westminster Bank plc

Investment Property Manager
Tandem Property Asset Management, London

Principal Investment Managers
Quilter Cheviots Ltd, London
Partners Capital LLP, London
Veritas Investment Management, London
WCM Investment Management, California

Solicitors
Veal Wasborough Vizards LLP, Bristol

Surveyors
Farebrother, London

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2025

The Governing Body of Rugby School ("Governing Body"), who are the trustees of Rugby School, including Bilton Grange, (the "School" or the "Charity"), present their Annual Report and the audited financial statements of the Charity for the year ended 30 June 2025. The Governing Body confirms that the financial statements comply with the Charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)) and with the Charities Act 2011.

The Charity's Objectives

Charitable Objects
The provision of a broad liberal Christian education at a boarding and day school at the School for children from Rugby and neighbourhood and elsewhere, and by ancillary or incidental activities and other associated activities for the benefit of the community.

Statement of Values
The Charity's principal activity is the education and pastoral care of its students at Rugby School, Bilton Grange, Aysgarth School and all the future schools in the Rugby School Group. All of its assets and its income and expenditure relate to that activity. The fundamental ethos of 'the Whole Person is the Whole Point' is everything we undertake at the schools to fulfil that principal aim.

'Whole Person, Whole Point' is a useful short-hand for encapsulating what a Rugby School Group education is. It is a modern interpretation of Arnoldian[1] traditions: character development, leadership, questioning, balance, belonging and inclusivity.

Strategy and Plans for Future Years

During the year, the Governing Body undertook a review of the School's strategic plan, updating it to reflect emerging priorities and ensuring it remains aligned with the School's ambitions and external context. The core strategy is set out below, and over the course of the next year the Head Master and senior leadership team will develop more detailed operational plans which will include plans for the individual prep schools.

Our vision is for Rugby to be the UK boarding school of choice. We believe in the transformative power of boarding education. Within its boarding environment Rugby seeks to achieve academic excellence and provide a broad range of co-curricular activity which develops the strength of character and emotional intelligence that allow students to thrive at Rugby, whilst preparing them for life after school.

Chapel is at the heart of School life, and we encourage students of all faiths to explore spirituality and the metaphysical. Our emphasis on a traditional, multi-year House structure helps to nurture and better safeguard our students, develop a sense of responsibility, tolerance, and fun, as well as enduring friendships. Rugby School's ethos seeks to develop students who are grounded, curious, pioneering, quietly confident, inclusive, culturally aware and considerate. Academic excellence and the development of the skills which will enable students to thrive at Rugby and beyond are driving principles.

[1] Arnoldian refers to Thomas Arnold, Rugby's most famous Head Master from 1828-1842. His ethos for Rugby became a model for other public schools and exercised a strong influence on the education system of England and beyond.

Central to The Plan are the Rugby Learner Profile (with its emphasis on resilience, reflection, communication, collaboration, versatility, and global mindedness) and our distinct approach to teaching and learning: 'The Rugby Way'. We will continue to be inclusive, ensuring that those selected are supported fully. Students will be given meaningful subject choices at all ages, culminating in the decision to take either A levels or the International Baccalaureate Diploma Programme (IBDP). Staff will adopt an evidence-informed approach to teaching and learning, incorporating appropriate technology, including developments in Artificial Intelligence.

The provision of a broad range of co-curricular activity is central to a Rugby education. This programme will continue to deliver team and individual sports. In addition, it will provide challenging adventurous activity and enable potential pathways to professional careers in music, drama, sport, and public service. It should also create opportunities to conduct selfless 'service-learning' as a way of understanding the power of helping others, and the benefits of establishing closer links to elements of the local community.

We will support The Rugbeian Society in promoting lifelong bonds of friendship and affection for Rugby School. We will utilise these networks to support Rugbeians throughout their lives. We will enhance our mentoring and internship programmes providing Rugbeians access to the advice and guidance which will help them to make informed career decisions.

The Plan must also reflect the importance of, and the value it places on, all staff at Rugby – both teachers and operational and administrative. It remains vital to recruit, develop, and retain the right number and quality of vocationally motivated staff. Outstanding Housemistress' and Housemasters are integral to being the boarding school of choice, consequently their recruitment, development and retention is of the utmost importance. The Plan must therefore ensure highly competitive salary and benefits, excellent opportunities for professional learning and employment opportunities throughout Rugby School Group.

The School takes a long-term view of its finances and The Plan will manage the Schools' finances in a sustainable way. Our annual cycle must allow for: positive EBITDA to cover maintenance and improvement capital expenditure and bond interest; income from the London Estate and restricted funds to fund scholarships and bursaries; income from fundraising, commercial and International activity to provide funding for both (1) maintenance and improvement capital expenditure and (2) scholarships and bursaries as above.

Rugby School is a charity and philanthropy lies at the core of our mission. The Lawrence Sheriff bequest enables us to provide means-tested day places for talented students from the local Rugby area. The Arnold Foundation has, for more than 20 years, provided full bursaries for talented students with a need for boarding. The Governing Body is committed to establishing the Arnold Foundation in perpetuity.

We will ensure the Rugby School Estate provides excellent and sustainable facilities, creating an inspiring learning environment. Improving the sustainability of our buildings and the biodiversity of our grounds is at the heart of The Plan. We will conserve, maintain and sensitively improve our existing buildings. New buildings will be of a quality and environmental performance standard that provide a fitting augmentation to the School's existing buildings. The Temple Reading Room refurbishment and the programme of boarding house improvements are the priority and demonstrate our commitment to ensuring the future relevance and sensitive improvement of our heritage alongside new buildings of the very highest quality. The Estates' masterplan will set out a clear development roadmap for the Rugby School Estate.

We will continue to nurture existing international relationships and seek opportunities for further, measured expansion with partners who share our vision and ethos.

Building on the highly successful merger with Bilton Grange and the merger with Aysgarth School, we will actively pursue opportunities for further prep school mergers, particularly those with a strong boarding ethos and which are financially sound.

An ambitious, driven and data-informed approach to admissions is essential. The Admissions department will be supported by an innovative and creative communications and marketing strategy ensuring regular messaging to all staff, the parental body, prospective parents, the wider Rugby School Group, and local, national and international audiences.

Our vision is for Rugby to be the UK boarding school of choice. This strategy highlights the key strands to enable the fulfilment of that vision. The Rugby School Plan will, on an annual basis, provide the detail to make this strategy a reality.

Objectives for the Year

The Governing Body set the following aims for the academic year 2024/25:

- to maintain the School's commitment to high academic standards;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to develop the provision at Bilton Grange Preparatory School as a core part of the Rugby Group of Schools;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation and Lawrence Sheriff) to ensure that access to the School is as wide as possible;
- to develop a plan for outstanding and forward thinking emotional and physical health and well-being vision for 2025;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to develop and strengthen the 'Whole Person Whole Point' brand using positive and inspiring examples to illustrate our ethos in action;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to provide outstanding facilities that are safe, secure and inspirational places to live and work in;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment;
- to continue to explore opportunities for on-line education, both commercially and for internal use.

Strategic development plans are presented to and reviewed by the Governing Body at least annually.

Review of the Year's Achievements and Performance

The year has, of course, been marked most notably by the introduction by the Labour Government of VAT to be applied to all independent school fees. This has applied to parents of the schools in the group from the start of January 2025. There is no doubt that this is having a profound impact on the sector as a whole, with a number of schools, including feeder schools to Rugby, sadly closing as a result of the tax on education with a notable impact on students and staff in the sector. A number of the School's parents have been affected with students and pupils leaving the schools for affordability reasons or seeking bursary and hardship support as a result of the government's decision. With the introduction of VAT on the School's fees, the School was able to reclaim some of the VAT on its expenditures. The School therefore introduced a remission for parents paying VAT on their fees which was calculated based on an estimate of the VAT which would now be recoverable by the School in order to try to help parents ameliorate the cost of this new tax. The School's resources are sufficiently strong that the schools have weathered the immediate financial storm and, indeed, both Rugby School and BG can report high student and pupil numbers in 2024-25 and this has continued in 2025-26. The merger of Aysgarth and OBH into the Group is partially a result the introduction of VAT where the sector is very much seeing the benefit of strong schools consolidating.

Principal activities of the year

Rugby School has 13 boarding houses and two day houses for 13–18 year old students. Bilton Grange is a predominantly day school for students aged from 3–13 years old with a boarding house for boys and a boarding house for girls, which take pupils from Year 3. Little Grange Nursery, for those aged from 6 months and up opened in August 2022 on the Bilton Grange site. Aysgarth School, which was welcomed into the Group on 1 July 2025, is a boarding and day prep school for boys and girls in Yorkshire. The Group has also announced the intention to see Old Buckenham Hall joining the group with a merger planned for 6 January 2026.

The average number of students in Rugby School during the year was 868 (2024: 866). The total number of boarders averaged 642 during the year, which maintained the boarder/day ratio at approximately 75%. The average number of students of Pre-Reception age up to sixth form in Bilton Grange was 383 (2024: 391) of whom the average number of full and weekly boarders was 57.

Supporting access to the schools remained a priority for the Governors. In 2024/25, 43% of Rugby School's students and 21% of the children at Bilton Grange received concessions through Scholarships, Lawrence Sheriff Foundationships and Arnold Foundation schemes. These awards entitle students to financial assistance up to 100% of fees and in some cases extras. All concessions beyond 5% scholarship awards are subject to parental means testing.

During the year, financial support for any reason including bursaries and concessions was provided for a total of 404 (46.5%) students at Rugby School and this included a significant number of students in receipt of a bursary for the full value of the School fees. A further 151 students at Bilton Grange received some form of financial support representing 39.4% of the students in Bilton Grange. We are particularly proud of our continued efforts to build on and develop student mentoring for Arnold Foundation and Earle Fund students as part of our support for them.

The Schools' activities and strategy over the year have continued to support each School's Development Plans. Rugby School has maintained its high academic performance and its position as one of the leading co-educational boarding schools in the UK and the world.

Educational Performance at Rugby School

The exam results for summer 2025 show an improvement in the previous year's results, but also reflect the national trend of a move closer to the pre-Covid average grades:

				National Average (England)	
All figures in percent	**2025**	**2024**	**2023**	**2025**	**2024**
A Levels (including IB)					
A*- A (7-6)	60.2	58.2	56.2	28.2	27.6
A*- B (7-5)	87.6	85.4	83.5	55.0	53.6
A*- E (7-1) (pass)	100.0	100.0	100.0	97.4	97.1

				National Average (England)	
All figures in percent	**2025**	**2024**	**2023**	**2025**	**2024**
GCSE					
A* / 9-8	55.4	55.1	54.9	12.2	12.1
A*- A / 9-7	76.8	74.6	75.5	21.8	21.7
A*- B / 9-6	90.3	88.5	88.9	35.4	35.3
A*- C / 9-4 (pass)	98.5	98.7	98.4	67.4	67.1

As previously noted, both schools aim to offer far more than a strong academic performance. The Governing Body and staff place particular importance on robust and effective systems and processes for the pastoral care, support and guidance of our students. However, the academic performance remains a priority and some of the principal achievements of the schools were:

- Excellent A Level and IB Diploma results meant that admittance to universities remained strong, with almost all students progressing to university directly or following a gap year;
- The School enjoyed outstanding results in academic competitions, including Mathematics and Science Olympiads;
- For the third time students at Rugby School were awarded the International Baccalaureate Diploma. They achieved excellent results with strong successful take ups from universities and the number of students taking the exams is growing in 25/26;
- The continued development of the Rugby Way for teaching;
- The advancement of our integration of learning about AI into our curricula with the creation of a taught course about generative AI for all year 10 and 11 students.

Co-curricular highlights of the year at Rugby School

The School's Whole Person, Whole Point ethos means that co-curricular activities remain firmly at the heart of the school's educational programme.

Sport

The highlight of our sporting success last year saw our U18 boys' and girls cricket XI's crowned national T20 and hundred ball champions respectively, at Lords. Such success in elite schoolboy and schoolgirl sport is unparalleled and never before has a school had national cricket champions for both genders at U18 level.

Our U16 girl hockey players won the national plate at Lee Valley Hockey Stadium, defeating Cheltenham College 4-1 in the final. And, our U15 netballers made it to the final four of the sisters in Sport National plate finals, bringing home the title. Our U15A female cricketers also won their hundred ball final at Merchant Taylors School. That makes it five national titles for the sports department in 2024-25.

We saw considerable success across tennis fixtures, and rackets now has a healthy number of students playing on a weekly basis. We had students reaching the semi-finals at Queens, for the first time in over a decade, and we saw students getting to the final stages of the Eton Tennis competition. At present we have approximately 90 students away in South Africa on our bi-annual sports tour, where we are playing boys and girls hockey, boys rugby, and girls netball. We also have 10 students signed up for our upcoming EB netball tour to Paris.

Ex-pupil Jacob Bethell has been named men's T20 captain for their upcoming series against Ireland, and he has high hopes of getting into the Ashes squad down under this winter. Maia Bouchier continues to excel for England and the Southern Brave.

We have other student athletes representing Great Britain at age group level in Taekwondo and Eventing (equestrian).

Rugby 360

It is a testament to the ongoing importance of service that we now have over 500 pupils engaged in the Rugby 360 service programme for 90 minutes each week. We have a thriving afterschool clubs programme, which supported over 700 local primary school children each week in the 24-25 academic year. In addition to this, we welcomed 900+ students on site for Service Day in June, and on a weekly basis we work in 25 different local primary schools.

CCF

Over the course of 24-25 we ran more than 10 offsite activities for the CCF from live firing marksmanship training at Bramcote, to defined close combat training at Yardley Chase. The overnight field expeditions to Bilton Grange have continued and we've run adventurous expeditions to Snowdonia and the Peaks. Students entered the Pringle Trophy again, and we also had the highest number of students attending summer camp at Lympstone.

Music

We have had an incredible year of music making, with a record-breaking 71 music scholars. They, and others, have achieved incredible exam results and diplomas with participation in many external national organisations such as National Children's Choir, National Children's Orchestra, National Youth Percussion Ensemble, National Youth Brass Band, Chineke Youth Orchestra to name but a few. Leaver's destinations for those studying music include the Royal Academy of Music, Oxford and an organ scholarship at Chichester Cathedral.

In the Festival on the Close a student performed Rachmaninoff's third piano concerto with a professional orchestra, he recently played Rachmaninoff's second piano concerto with the Warwickshire Symphony Orchestra.

The Rugby Chorister Programme has had a fabulous year and, in collaboration with the Temple Consort of Rugby School, broadcast live an evensong on BBC Radio 3. Choral collaborations have also included schools from America and local choirs as part of the Guild of Church Musicians. Our accreditation with the Royal College of Organists has seen students perform in London and also Rugby School hosting organ events for young organists and visiting societies.

Students, in collaboration with the Royal Birmingham Conservatoire, have taken part in masterclasses with internationally renowned violinist Tasmin Little and Hee-Young Lim (Korean cellist, Professor at the Beijing Central Conservatoire and Principal Cellist of the Rotterdam Philharmonic Orchestra).
Our recent Performing Arts collaboration as part of National Theatre Connections was a production of 'Mia and the Fish', performed in the Nottingham Playhouse, brought together musicians from Rugby School and Rugby Free School in a professional environment. Other events have included a fantastic co-curricular collaboration of Vivaldi's Gloria with Rugby School ballet students and Kings International Ballet.

We have hosted many primary school events including the Choral Outreach Day, the Big Sing as part of Festival on the Close and many other bespoke events such as hosting the English Symphony Orchestra Wind and Brass Day.

Over 200 performances have taken place this year, ranging from informal Coffee Concerts to professional Concerto Concerts to Battle of the Bands. There have been competitions, masterclasses, workshops, visits from internationally renowned soloists, collaborations across continents, performances in external venues and participation in national organisations.

Performing Arts

Rugby School's Performing Arts Department championed partnerships with a range of organisations over the 2024-2025 academic year and worked closely with a number of local partner schools throughout the year.

Rugby Connected Youth Theatre - our flagship theatre company in collaboration with Rugby Free Secondary School - is now in its second year. Rugby School provides the financial, organisational and creative lead on this annual project, which produces a brand-new play as part of the National Theatre Connections Festival. This year the collaboration culminated in a performance at Nottingham Playhouse and won warm critical feedback from the National Theatre's Director. We, also this year took students to Midland Arts Centre in Birmingham to perform as part of the Shakespeare for Schools Festival, alongside groups from schools across the Midlands.

Rugby's Performing Arts department's Macready Theatre Young Actors' Company once again enjoyed sell-out public performances at the Edinburgh Fringe, receiving excellent reviews from 'Broadway Baby', 'North West End' and 'The Scotsman'. The Edinburgh Fringe play we perform is co-commissioned by Bloomsbury Festival in London and offers an early-career writer an opportunity to write a play for our young actors to premiere at The Fringe.

Our Creative Industries Evening invited local children and their parents to hear a panel of industry professionals in dance, theatre and media, discuss their careers and offer advice to students on creative careers.

The school's Macready Theatre offered over 30 public professional touring performances throughout the year, ranging from Manford's Comedy Club to Red Priest Baroque Ensemble in concert, with 1/3 of seats to all performances during term-time given to local state school groups for free.

Four Performing Arts students this year achieved distinctions in Level 3 Diploma examinations in Musical Theatre, Acting and Public Speaking. This is the equivalent of end of first year Conservatoire standard. We also extended our Dance offer once again this year and began teaching the new Rambert Contemporary Dance grade syllabus for the first time this year, alongside other excellent dance opportunities including weekly classes with International Dance Circus Company 'Motionhouse' as well as a large-scale collaborative dance, poetry and musical performance with Kings' International Ballet School in Rugby School's Temple Speech Room.

The Festival on The Close provided the local community with five days of culture and creativity in the final week of the summer term, in aid of Cancer Research UK and local charity, the Bradby Club. Over 1,000 local school children and 2,000 adults engaged with the festival this year in practical educational workshops in a huge range of creative STEM and Arts disciplines, in a range of performance opportunities for young people and in our programme of public shows, talks and events. Household names entertained children and adults each day, including the BBC Big Band, Jo Whiley and The Horne Section. The festival ended with a day of workshops and performances involving four local state primary and secondary schools who had been working with Rugby School students and staff all year as part of our '360' community service programme, creating highly original interpretations of four of Shakespeare's plays.

The school play ‘Oedipus Rex’ played to sell-out audiences of public, parents, staff and students in the Macready Theatre, and had a student cast and company (including tech, backstage, and ensemble) of over 40, in a modern re-imagining of the classical tragedy with live student band and interactive video as part of an ambitious and highly complex multi-media production.

Duke of Edinburgh

The programme is thriving, with over 80 students signed up for Gold and 160 for Bronze. Our Silver programme also has over 80 students enrolled, meaning that we have 40% of the school actively involved in D of E.

Highlights of the Year at Bilton Grange

Academically, Bilton Grange had a strong year with all 12 candidates who sat academic scholarship papers being successful – an unprecedented achievement. The Common Entrance results for the leaving cohort were also the strongest they had been for many years with 97.2% of grades awarded being A* to C and 57.3% of all grades were A* or A.

Bilton Grange was a national finalist for the second year running in the U11 Maths Quiz championships, finishing 9th out of the final 33 teams. In the Bebras Challenge, which tests computational thinking skills, 34 pupils from Bilton Grange were awarded Gold certificates for achieving scores within the top 10% of the country. The School entered the World Scholars Cup for the second consecutive year enjoyed great success. Against 44 other schools, and through quizzes, creative writing tasks and debating, Bilton Grange teams finished 1st, 6th and 9th overall. Individuals placed highly too and several received medals.

In March 2025, Bilton Grange received news it had won the accolade from The Week School's Guide 'Best of the Best for Fantastic Academic Results'. In June 2025, the school was shortlisted for the final of two awards by the publication Muddy Stilettos: for 'Experiential Learning' and for 'Dynamic Performing Arts'. And in July 2025, Bilton Grange was delighted to see its Pre-Prep short-listed for the 'Pre-Prep of the Year' category in the Independent School of the Year Awards 2025.

On the co-curricular side, a full range of sport, music and dramatic opportunities was again in evidence at Bilton Grange. In the area of Performing Arts, every year group had the chance to perform with the emphasis very much on participation whether on-stage or off-stage with opportunities to help with lighting, sound and behind-the-scenes work. There was a superb production of Joseph and his Amazing Technicolour Dreamcoat and the ambitious Year 6 production of A Midsummer Night's Dream, performed outside in the woods, was also very well received.

Music continues to thrive at Bilton Grange. Concerts were staged throughout the year ranging from soloist evenings to large scale ensemble concerts and jazz soirees. Large numbers of children performed. Ten children were awarded music scholarships and the ABRSM and Trinity exam results were excellent. Meanwhile the choristers programme, in its third year, saw excellent success with 38 children from years 3-8 attending vocal training and singing in public Evensong services over four days each week. A highlight was the Evensong service performed live on BBC Radio 3 in February.

The sporting programme was full with a strong showing in many sports. The U11 Boys made it through to the national hockey finals while the girls 1st XI cricket team lost just once in the season, in the quarter-finals of the national cup. Six children qualified for the national finals in swimming and athletics, with one pupil winning Gold for the U14 75m hurdles. A number of pupils gained county/regional selection in rugby, hockey, netball, cricket, swimming. Bilton Grange pupils also achieved individual success in other sports too – fencing for the East Midlands; winning the county U11 table-tennis championships; competing nationally in Badminton; winning the IAME World Karting Championships and being signed to a major Formula 1 team.

Significant funds were raised by BG pupils for charities across the year including Children in Need, The Hoskyn Centre, the Rugby Foodbank, Comic Relief, Myton Hospice, the Motor Neurone Disease Association and Jeans for Genes. The School also continued to support the Bradby Club, a local youth club in Rugby, and it hosted the Bradby Club tea party which was attended by over 100 members of the local community. Funds were also raised for the Earle Fund which provides a boarding education at Bilton Grange for children who would otherwise not be able to afford it. In 2024-25 four pupils benefited from a fully funded boarding place thanks to the Earle Fund. On two occasions each week, Bilton Grange pupils visit Anya Court, a local care home, to support and entertain the residents.

International Partnerships

The Group's international efforts are led by Neil Hampton, the CEO of Rugby School Global, where the Group is focusing to two areas. Firstly, it is continuing to work with schools internationally as part of the Rugby School Global network and the School is developing partnerships in a number of countries. At the close of its eighth year of operation, pupil numbers at Rugby School Thailand were over 1,000 for the year ended 30 June 2025 and Rugby School Japan, in its second year of operation, saw good growth and development. A new school in Lagos, Rugby School Nigeria, has opened in September 2025 and further announcements are expected for other schools in the year ahead.

Meanwhile, the schools in the group saw their senior leadership meeting at Rugby to help share best practice and innovations. Furthermore, the plans to help develop an international mindset in our students also saw a step forward with further development of the undertaking of student exchange programmes between students from each of Rugby School, Rugby School Thailand and Rugby School Japan.

The second area of overseas educational business is the online teaching and learning operations being run from Rugby School Global Partnerships. This sees Rugby providing teaching and learning opportunities to partner schools around the globe. These schools, who do not share the Rugby School name, are nevertheless able to use the online training and teaching resources to help with their own students' development.

Little Grange Nursery

Little Grange Nursery, now in its third year of operation, and stubbornly full, has had a good year full of exciting milestones and magical moments. In October the Nursery had its first Ofsted inspection and duly were graded Outstanding. Comments were reflective of the wonderful nursery in evidence with statements such as "children flourish in this truly inclusive and nurturing nursery" and "enriching experiences are carefully designed to help build children's character, foster curiosity, ignite intrinsic motivation and enhance children's knowledge in all areas of learning". This was a real testament to the dedication, care, and passion of the entire team and its leadership.

The year saw a number of innovations such as The Nursery's very first all-nursery Nativity and a first Forest School Evening to help families experience the nursery grounds in a whole new light. The Nursery has also worked hard to get more involved in the local community with visits to the local library, involvement in Remembrance Day and the whole nursery was all involved in the Rugby in Bloom competition where the Nursery was presented with the Platinum award. These experiences have helped the children build a sense of belonging and pride in their community, learning that even the smallest hands can make a big difference.

Plans for Future Years

The Governing Body continues to pursue the School's general objectives as set out earlier. The Governing Body has also set the following aims for the academic year 2025/26:

- to maintain the School's commitment to high academic standards;
- to continue to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to develop the provision at Bilton Grange, Aysgarth and Old Buckenham Hall as core parts of the Rugby Group of Schools;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation and Lawrence Sheriff) to ensure that access to the Group is as wide as possible;
- to develop a plan for outstanding and forward thinking emotional and physical health and well-being vision for 2025 and future years;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;

- to continue to develop and strengthen the 'Whole Person Whole Point' brand using positive and inspiring examples to illustrate our ethos in action;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to provide outstanding facilities that are safe, secure and inspirational places to live and work in;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment;
- to continue to explore opportunities for on-line education, both commercially and for internal use.

Public Benefit Objectives

In setting the School's objectives and planning its activities the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Widening access to the School

The Governing Body is conscious that the schools must remain accessible to talented children, irrespective of parental means. This was the main driving force for the launch of the Arnold Foundation for Rugby School in late 2002, which has expanded to offer places at Bilton Grange under the Earle Fund. As of September 2025, 193 students and former students have benefited or are benefiting from support provided by the Foundation.

The Governing Body thanks all the donors who have contributed over the year and is delighted that there were 27 Arnold Foundation students and 3 Earle Fund students at the schools during 2024/25. Two of the new Arnold Foundation students had started as Earle Fund students. In September 2025 the number of students in the schools who are funded by the Arnold Foundation is steady at 27 at Rugby School and a further 3 at Bilton Grange.

Long before the launch of the Arnold Foundation for Rugby School, the School funded, from its endowed and restricted funds, a large number of scholarships, bursaries and concessions and this continues to be an important part of its work with day students in and around Rugby being able to benefit from the funding raised by the London Estate and by the generosity of part Rugbeians. The Governing Body is determined to ensure that these are directed to cases of greatest need; therefore, scholarship and foundation scholarship awards going forward will be honorary only, however, they are augmentable (up to 100% if necessary) based upon an assessment of parental means.

Bursaries policy

The School's policy is to award scholarships on the basis of an individual's educational potential. The School provides bursaries and augmentations, up to 100% of fees subject to means-tested assessments, to those students whose education may be at risk due to financial hardship or to make places available for deserving students from families who might otherwise not be able to afford school fees.

The total cost of scholarships, bursaries and augmentations during the year was £7.2 million (2024: £6.8 million) for the schools, representing approximately 15.7% of the gross fees. Approximately 40% of students receive some form of support. Awards entitle students to financial assistance up to 100% of fees and extras, subject to parental means tests.

Contribution to local schools

One fifth of the annual net income from the London Estate totalling £0.63 million (2024: £0.63 million) was paid to our neighbour, Lawrence Sheriff School, which operates in the maintained sector.

Community partnerships and services

The School aims to be a good neighbour in its local community and to develop mutually beneficial partnerships wherever possible.

Such initiatives have included those detailed above in the Review of the Year's Achievements and Performance as well as:

- members of staff contributed their time voluntarily to a number of charitable causes such as assisting in the running of the Bradby Club, the Rugby Portobello Trust, and the Lawrence Sheriff Alms-houses as well as acting as governors of a number of maintained schools;
- the School opened its sports and other facilities to many local individuals and organisations (including other schools) charging rates below those applying to commercial businesses, sometimes providing facilities free of charge;
- both Rugby School and Bilton Grange's facilities are provided free of charge for a number of charitable fund-raising activities including school sports days, concerts, plays, art exhibitions local sporting organisations; and
- numerous local choirs and orchestras have held rehearsals and concerts in a number of School venues during the course of the year, and the School has also hosted several events involving local schools.

Fundraising

Members of the School's Rugbeian Community Office and Development Team organise fundraising activities and events and co-ordinate philanthropic support and involvement for the Arnold Foundation, Earle Fund and the schools. No entities within the Group use fundraising consultants or involve commercial participators. The School is registered with the Fundraising Regulator and operates according to the Code of Fundraising Practice. All direct fundraising marketing is undertaken by the fundraising team within the Rugbeian Community Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Streamlined Energy & Carbon Reporting

As the School is not a registered company or a large, limited liability partnership, there are no statutory requirements to report in relation to the Streamlined Energy and Carbon Reporting (SECR) regulations. The School is committed to minimising its carbon footprint and the continuous improvement of its approach to environmental matters and therefore has opted to report on a voluntary basis.

This year the School has continued to invest in the estate to reduce the School's carbon emissions. There has been work on:

- Investing in a fabric first approach to improving the School estate with projects including insulation and LED replacement.
- The School is continuing with a rolling programme of investment in building services infrastructure with an annual budget of £333,000. Projects completed in 24-25 include the installation of a building management system (BMS) and boiler replacements at Rugby and BG. The BMS was installed at Bilton Grange for the first time and is partly responsible for a halving of the gas usage over the last year.
- There is also a rolling programme of improvements to staff housing with the aim of improving sustainability with an annual budget of £166,000.
- The School is also in the middle of a long-term programme of investment in replacing single glazed windows across the site with double or secondary glazing. This is budgeted to cost approximately £400,000 each year.
- The School completed the refurbishment of Kilbracken House (a £5,000,000 investment) during the year, and this project included wall and roof insulation, double glazing, modern heating solutions and leak detection.
- In September 2025, the School completed the new build boarding house at Bilton Grange which is compliant with the latest Part L /M sustainability requirements and utilises air source heat pumps and solar technology.
- The School has continued to transition its vehicle fleet and power tools from fossil fuel powered too electric.
- Pupils at Rugby secured a distinction in the Eco Schools awards for their pupil led actions.

	2025 kWh	**2025 CO_2e**	2024 kWh	2024 CO_2e
Type of Emission				
	'000	**Tonnes**	'000	Tonnes
Diesel	**363.1**	**90.4**	87.2	21.7
Petrol	**31.6**	**7.6**	3.2	0.7
Transport (other)	**Incl above**	**Incl above**	379.9	94.6
Natural Gas	**11,638.7**	**2,125.1**	12,639.2	2,307.0
Total Scope 1	**12,033.4**	**2,223.1**	13,109.5	2,424.0
Electricity	**3,383.5**	**591.7**	3,235.4	663.0
Total Scope 2	**3,383.5**	**591.7**	3,235.4	663.0
Total Scope 1 & 2	**15,416.9**	**2,814.8**	16,344.8	3,087.0
Intensity Metric				
Number of Pupils / Students (excl LGN)	**1,249**	**1,249**	1,248	1,248
Emissions / Pupils	**12.3**	**2.3**	13.1	2.5

Methodology

The company has gathered data regarding scope one and two carbon emissions (as defined by the GHG Protocol) for the financial years from its UK operations for inclusion in Company Reporting (2023-2024) as defined by the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation. At this stage the School has not identified a way of accurately measuring Scope 3 emissions, therefore we have not reported a Scope 3 figure.

The period of reporting represents full 12-month periods of operation for the Group, including Rugby School, Bilton Grange and Little Grange Nursery which overlap with the financial years under consideration.

Group Structure

The School's consolidated report and financial statements include the activities and results of its wholly-owned subsidiaries: Rugby School Enterprises Limited, Rugby School International Limited, Rugby School Global Partnerships Limited, Little Grange Nursery Limited and Rugby School Projects Limited and also of three associated charities: the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund. The trustees and directors of these associated charities and companies are all appointed by the Governing Body of Rugby School.

Rugby School Enterprises Limited
The principal aim of this trading subsidiary is to generate income from the use of the School's facilities when not required for their principal educational purpose, and particularly during holiday periods. The company operates language and other courses, operates the School shop and also runs a sports centre which is open to the public when not being used by the School. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Rugby School International Limited
The principal activity of the company is the provision of support to third parties to establish new premium international schools associated with Rugby School, in relation to using the School's trademarks and know-how. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Rugby School Global Partnerships Limited
The principal activity of the company is the provision of online teaching and learning support to third party schools outside the immediate Rugby School Global network. The company's distributable profits (if any) are gifted to the School to be used for its principal activity.

Little Grange Nursery Limited
The principal activity of the company is the commercial provision of a nursery for children aged 6 months to 5 years and it opened in August 2022. The company's distributable profits are gifted to the School to be used for its principal activity.

Rugby School Projects Limited
This subsidiary company supplies design and build services and in March 2019 completed the construction of a new boarding house for the School. The entity spent most of 2024-25 working on the construction of a new boarding house at Bilton Grange which opened in September 2025. The company's distributable profits are gifted to the School to be used for its principal activity.

The Arnold Foundation for Rugby School
The Arnold Foundation for Rugby School (the Arnold Foundation), an associated company that is also a registered charity, number 1095856, has the principal aim of raising funds to support grants towards the Bursary Programmes at the School, widening access to the School, so that more young people may benefit from a boarding school education at Rugby, irrespective of their parents' ability to pay the fees.

The Rugby School General Charitable Trust
Prior to the 2002 incorporation of the Arnold Foundation for Rugby School, this trust (also an associated entity) was principally engaged in raising funds from supporters of the School, usually to assist with named capital projects. Since 2002, activity in this Trust was largely the receipt of income not meant for the Arnold Foundation but in support of other parts of the School's work. The trust has been active over 2024-25 in securing donations towards the planned refurbishment and development of the Temple Reading Room in Rugby.

The Rugby School Combined War Memorial Fund
Originally established in honour of those members of the Rugby School family who fell in the two World Wars, this trust (an associated entity) uses its investment income to fund scholarships or bursaries awarded to the children of Rugbeians who meet the criteria for financial assistance to attend or remain at Rugby School.

The Trustees have expanded the Fund's objects by way of a Charity Commission Scheme in order to allow it to also support the children of those working in the emergency services and the NHS.

Financial Review

The School endeavours to ensure financial stability and continuing solvency year on year so that it can pursue its educational aims and objectives. Rugby School's management continues to recognise the importance of strong cost control, seeking to contain cost increases as much as possible while ensuring that the School continues to deliver first class education and pastoral care.

The School's charitable activities continue to be the main source of the Charity's consolidated income and expenditure.

The School's operations for the year ended 30 June 2025 resulted in net outgoing funds from operations of £6.1 million (2024: a net outgoing figure of £4.78 million), after charging £5.3 million (2024: £5.05 million) for depreciation on the School's property and equipment, but before pension revaluation adjustments under FRS 102.

The School looks to support its operations using income generated by its financial investment portfolio on a total return basis. The net gains on the financial investments for 2024-25 were £7.0 million. However, the consolidated net incoming resources for the year, were heavily affected by a £4.1m downward revaluation of the London Estate which resulted in the changes in net yields used in the Estate valuation process. The School's operating results, included:

- Gifts and legacies of £1.2 million during the year;
- a net transfer of £2.5 million from the London Estate, after the payment of the share to Lawrence Sheriff;
- Commercial subsidiaries funding of the group totalling £1.8 million;
- £7.2 million (representing 15.7% of gross fees) was used to fund scholarship and bursary awards. Assistance towards payment of the fees by way of scholarships and bursaries was provided to a total of 451 students and pupils across Rugby School and Bilton Grange.

Including the year-end revaluation on investments, which are substantially either restricted or endowment related, and the pension scheme actuarial revaluation, there was a net decrease in the Charity's funds for the year of £3.6 million (2024: a net increase £3.0 million) which was directly attributable to the revaluation in the property investments in the London Estate.

Balance Sheet

The movement of funds for the year generated total consolidated funds of £222.7 million standing to the credit of the School as at 30 June 2025. The underlying assets and liabilities are set out in the Balance Sheet and further analysed in the notes which accompany the financial statements.

Funds

The results of School operations (fees and related income less expenditure to administer, maintain and develop the School) are identified separately within the body of the financial statements. The use of net funds generated by this activity is unrestricted.

Endowed funds are predominantly represented by the London Estate, consisting principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial, retail and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four-fifths which remain, the primary use is to fund foundations, scholarships and bursaries. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Restricted funds can only be used for specified purposes and, accordingly, the School accounts separately for such assets, and for the income and expenditure related to them. The Consolidated Statement of Financial Activities further analyses these restricted funds as Special funds, consisting principally of fixed interest bearing securities and holdings in investment trusts and equities, many of which arose originally from bequests for specific purposes, such as scholarships, bursaries and prizes. The annual net income from such funds is used exclusively for the specified purposes, with any unallocated amounts being carried forward for the specific purposes in future years.

Other restricted funds consist primarily of gifts and legacies received through the Arnold Foundation for Rugby School, but also through the General Charitable Trust and the War Memorial Fund (see above). Gifts from the General Charitable Trust are utilised in the period. The carried forward balance of other items on the Statement of Financial Activities relates to the Arnold Foundation for Rugby School and the War Memorial Fund (see note 21).

Reserves Policy

The Governing Body has moved to an EBITDA based objective. The School does not expect to borrow money to cover operational requirements other than to cover short-term timing issues. The School has issued a £35 million private placement in order to fund various capital expenditure programmes over recent years. A portion of the School's investments are being set aside to repay the private placement at the end of its term.

It is the intention of the Governing Body that, on a continuing basis, the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities. In those years where there are free reserves, the School may consider designating funds for an identified programme of capital maintenance and investment.

The School aims to manage the day to day working capital requirements through careful management of short term liquid resources.

The policy on unrestricted funds allows for proportion to be allocated as designated funds, established in respect of various funds such as the fixed assets fund and the Bloxam fund. The fixed assets fund includes the property and equipment of the School. The Bloxam funds originated from a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books which were designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community and these funds are supplemented from time to time by available unrestricted reserves.

The financial statements indicate that the School's unrestricted funds of £67.3 million (see note 22) are effectively fully invested in premises and equipment. After a number of years of notable investment in the School's Estate, free reserves are showing a deficit of £27.2 million (see note 22), however, given the financial strength of the School, in particular the endowment investments, the Governing Body is satisfied that this is an acceptable position.

The Governing Body prepares a detailed long-term plan having regard to the School's financial and physical resources, so that at all times the School retains the strength and flexibility to respond to contingencies and to longer term needs that may not be currently foreseen. Accordingly, the Governing Body consider that the School and the group have adequate resources and flexibility for the foreseeable future and consequently the adoption of the going concern basis is appropriate in preparing the financial statements. The reserves policy is monitored by the Finance & Audit Committee and is reviewed annually.

Fundraising Performance
The Arnold Foundation received £0.9 million of donations and legacies in the year. These funds will be applied for the specific aim of providing means-tested bursary awards to those students whose parents would not otherwise be able to afford an education at Rugby School.

Investment Performance
In relation to its financial investments, the Governing Body aims to optimise the returns generated by the investments such that, over the long term, the capital values are, at the least, maintained when adjusted for inflation.

This objective will be achieved if the investments exceed CPI+3% per annum on a rolling 5 year period, provided the total return targets are also met. These returns are being comfortably exceeded with the 5-year CAGR of 10.3% exceeding the 5 Year CAGR of CPI+3% (7.9%). The total Group investments stood at £82 million as of 30 June 2025.

There are no specific restrictions other than that the investments should be suitable for trusts. The School's investment performance is monitored regularly against objectives by the Investment Committee.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2025

Governance and Management

Charity Governance Code

The Governing Body understands that effective governance is critical in running the charity and uses the Charity Governance Code as an important tool in assisting with the continuous review of governance of the Charity.

Governing Body
The School is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922.

Appointments, Recruitment and Training of Governors

Under the statutes, there is one Governor nominated by the Senior Common Room and other members are appointed by the Governing Body itself. The Governors and principal officers are named on page 3 of this report.

Where the Governing Body itself co-opts a new member, this follows a selection process and a recommendation from its Nominations Committee. Governors are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Governors visit the school for induction, receive key information relating to the charity and sign an appointment letter. All Governors are encouraged to attend the annual strategic planning meeting which often incorporates trustee-training issues.

The Governing Body's voluntary code on retirements provides that, with the exception of the Chairman, members of the Governing Body do not normally serve more than ten years, unless, in exceptional circumstances, the Governing Body determines otherwise.

Governance

The Governing Body is responsible for the overall management and control of the School and meets at least once a term. Its principal responsibilities are to:

- ensure that the School is run in accordance with its charitable objectives and that all the functions of the School are authorised by the powers provided by its statutes and regulations and by charity law;
- act in the best interests of the School and current and future beneficiaries at all times;
- appoint the Head Master of Rugby School, the Head of Bilton Grange, the CEO of Rugby School Global and, after consultation with the Head Master, the Chief Operating Officer, the Deputy Head(s) and the Assistant Head(s) and approve their terms and conditions;
- in consultation with the Head Master and his management team, set the strategy and policies by which the School will be run;
- approve the Development Plan;
- ensure that the School meets the objectives that the Governing Body sets from time to time;

- control finance by approving realistic budgets and longer-term plans and by approving systems and safeguards that optimise the chances that they will be achieved;
- ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- understand the extent of duties in relation to risk management and to legal compliance and be satisfied that there is a rolling programme for meeting them;
- ensure that competent professional advice is taken when necessary;
- appoint a Chairman and one or more Deputy Chairs;
- appoint members to its committees; and
- review and approve the terms of reference and the output of these committees.

Organisational Management

Governing Body Committees

The Governing Body has appointed the following committees of its members to oversee the activities set out below. Membership is supplemented by the attendance of some of the principal officers of the School and by others with appropriate specialist knowledge. All these committees report regularly to the Governing Body and their terms of reference are reviewed annually.

- Group Safeguarding: Review of all safeguarding matters on behalf of the Governing Body for all the schools in the Group. RS Education Committee: Review of education broadly, academic policies and performance.
- BG Board: Review of education broadly, academic policies and performance.
- Aysgarth Board: Review of education broadly, academic policies and performance.
- Fundraising Committee: Advise and support the trustees of the Arnold Foundation and the Governing Body in raising funds for the Arnold Foundation and capital projects.
- Student Welfare Committee: care for the safeguarding, wellbeing and pastoral needs of the student body.
- Risk and Compliance Committee: Legislation and inspection compliance, risk management.
- Finance, Audit and Estates Committee: Financial policy and general operations relating to the running of the School. The audit sub-committee addresses financial reporting, systems and controls.
- Global Strategy Committee: Formulation of the strategy for Rugby School's international development, international school partnerships and recommendation of international projects.
- Investment Committee: Management and administration of Special Funds and all other non-property investments. The Governing Body have agreed that the School's investment portfolio be managed on a discretionary basis by its Investment Managers subject to policies and objectives that the Governing Body establishes from time to time having regard to the Investment Committee's recommendations.
- London Estate Committee: Management and administration of the London Estate. The London Estate is managed by Tandem Property Asset Management and the Estate is managed with due care and consideration for the Governing Body's fiduciary responsibility towards Lawrence Sheriff School for 20% of the income generated by the Estate.
- Nominations Committee: Review of Governing Body membership, including recommendations of individuals who might be co-opted to the Governing Body.

Governor membership of these committees is shown on page 3.

Key Management Personnel

The Governing Body delegates the daily management of Rugby School to the Head Master of Rugby School and of Bilton Grange to the Head of Bilton Grange and of international school projects and partnerships to the CEO RS Global. The Chief Operating Officer reports to the Head Master of Rugby School and is also the Clerk to the Governing Body. They are aided by other Key Management Personnel as detailed below.

Remuneration of the Key Management Personnel is set by the Nominations Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contributions to the School's success.

The Executive Leadership Group comprises the Head Master of Rugby School, the Head of Bilton Grange, the CEO of Rugby School Global, the Chief Operating Officer, the Deputy Head of Rugby School, the Development Director, the Estates Director, the Finance Director, the HR Director and the Rugbeian Community Director.

The Leadership Group of the Charity comprised the SMTs of the schools together with the Operations and Administration Management Group and any other members of the Executive Leadership Group.

Support

The School and the Governing Body greatly appreciate the important and valuable support given to the School in so many ways by Rugbeians and many other friends of the School. Above all, the Governing Body remains deeply grateful to the entire staff, both teaching and operational and administrative, whose unstinting hard work and loyalty has enabled the School to achieve its major objectives.

Principal Risk and Risk Management

The Governing Body conducts annually a review of risk assessments undertaken by the School's management to identify the major risks to which the School (and the subsidiary and associated entities covered by this report) is exposed, and the systems for their mitigation. The Governing Body's Risk, Compliance and Safeguarding Committee reviews the School's Risk Management Report termly.

The Governing Body considers the principal risks faced by the School to be:

- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- the ability to address the economic environment and cost-of-living challenges;
- an inappropriate mix of students or unfilled student places;
- the risks associated with the implementation of VAT to educational fees and its affect on other schools in the sector, particularly prep schools;

In the opinion of the Governing Body, the School (and the subsidiary and associated entities) has established resources and review systems which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Governing Body responsibilities in respect of the Annual Report and the Financial Statements

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

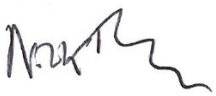
The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Auditors

Crowe U.K. LLP has indicated its willingness to be re-appointed as statutory auditors.

Approval

This report and the accompanying financial statements were approved by the Governing Body on 19 November 2025.



N Bacon
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL

Opinion

We have audited the financial statements of Rugby School for the year ended 30 June 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 June 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, 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 the parent 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 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 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), and [local] tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, the accounting for bursaries scholarships and other remissions and management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing legacies and bursaries and other discounts sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe U.K. LLP
Statutory Auditor
Cheltenham

Date: 23 December 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2025

	Funds:	Unrestricted	Endowed	Restricted	2025	Unrestricted	Endowed	Restricted	2024
	Notes	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:									
Charitable Activities									
School fees receivable	2	41,848	-	-	**41,848**	41,494	-	-	**41,494**
Ancillary trading income	4	2,907	-	-	**2,907**	2,148	-	-	**2,148**
Other Trading Activities									
Trading income (non-ancillary)	5	4,815	-	-	**4,815**	3,803	-	-	**3,803**
Investments									
Investment income	6	444	155	5,959	**6,558**	461	192	5,521	**6,174**
Voluntary Sources									
Donations and legacies		(3)	410	813	**1,220**	3	83	777	**863**
Other		(6)	-	54	**48**	1	-	112	**113**
Total Income		50,005	565	6,826	**57,396**	47,911	275	6,410	**54,595**
EXPENDITURE ON:									
Raising Funds									
Trading	7	2,504	-	-	**2,504**	1,593	-	-	**1,593**
Financing costs		1,182	-	1	**1,183**	1,134	-	-	**1,134**
Investment management costs		65	115	3,959	**4,139**	14	102	2,771	**2,887**
Fund-raising and development		-	-	476	**476**	-	-	422	**422**
Total cost of fundraising		3,751	115	4,436	**8,302**	2,741	102	3,193	**6,036**
Charitable Activities									
School operations		49,807	-	-	**49,807**	47,952	-	-	**47,952**
Scholarships, bursaries and prizes	3	-	540	4,290	**4,830**	-	549	4,210	**4,759**
Payment to Lawrence Sheriff School	9	-	-	626	**626**	-	-	630	**630**
Costs of Charitable Activities		49,807	540	4,916	**55,263**	47,952	549	4,840	**53,341**
Total Expenditure	7	53,558	655	9,352	**63,565**	50,693	651	8,033	**59,377**
Net (Expenditure)/Income		(3,553)	(90)	(2,526)	**(6,169)**	(2,783)	(376)	(1,623)	**(4,782)**
Net gains/(losses) on investments	13	1,937	(1,965)	2,937	**2,909**	2,250	(386)	5,361	**7,225**
Net (Expenditure)/Income		(1,616)	(2,055)	411	**(3,260)**	(533)	(762)	3,738	**2,443**
Transfer between funds	20,21, 22	-	-	-	**-**	17	-	(17)	**-**
Actuarial (loss)/gain on defined benefit pension scheme	18	(339)	-	-	**(339)**	555	-	-	**555**
NET MOVEMENT IN FUNDS		(1,955)	(2,055)	411	**(3,599)**	39	(762)	3,721	**2,998**
Reconciliation of Funds									
Balances brought forward at 1 July		**69,296**	**130,165**	**26,884**	**226,345**	**69,257**	**130,927**	**23,163**	**223,347**
BALANCES CARRIED FORWARD at 30 June		**67,341**	**128,110**	**27,295**	**222,746**	**69,296**	**130,165**	**26,884**	**226,345**

The notes on pages 32 to 58 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
BALANCE SHEETS
AS AT 30 June 2025

		Parent Charity		Consolidated	
		2025	2024	**2025**	**2024**
	Notes	**£'000**	£'000	**£'000**	**£'000**
FIXED ASSETS					
Freehold properties, fixtures & equipment	12	**81,215**	74,263	**81,215**	74,263
Investments	13	**141,662**	140,490	**172,715**	168,667
		222,877	214,753	**253,930**	242,930
CURRENT ASSETS					
Stock		**19**	19	**108**	112
Debtors	14	**11,712**	7,977	**7,439**	5,896
Investments – deposits		**11,071**	23,065	**11,097**	23,336
Bank and cash		**5,416**	8,422	**6,662**	8,904
		28,218	39,483	**25,306**	38,248
CURRENT LIABILITIES					
Creditors due within one year	15	**(12,590)**	(11,973)	**(13,720)**	(13,334)
NET CURRENT ASSETS		**15,628**	27,510	**11,586**	24,914
TOTAL ASSETS LESS CURRENT LIABILITIES		**238,505**	242,263	**265,516**	267,844
CREDITORS due after more than one year	16	**(42,718)**	(41,828)	**(42,770)**	(41,883)
NET ASSETS EXCLUDING PENSION LIABILITY		**195,787**	200,435	**222,746**	225,961
PROVISIONS					
Defined benefit pension scheme liability	18	**-**	384	**-**	384
NET ASSETS INCLUDING PENSION LIABILITY	19	**195,787**	200,819	**222,746**	226,345
FUNDS OF THE CHARITY:					
Endowment funds	20	**110,713**	114,473	**128,110**	130,165
Restricted funds	21	**17,479**	16,842	**27,295**	26,884
Unrestricted funds:					
Unrestricted income funds		**67,595**	69,120	**67,341**	68,912
Pension reserve		**-**	384	**-**	384
Total unrestricted funds	22	**67,595**	69,504	**67,341**	69,296
TOTAL CHARITY FUNDS		**195,787**	200,819	**222,746**	226,345

The deficit for the financial year in the financial statements of the parent charity was £5,031,460 (2024: deficit of £296,000).

Approved by the Governing Body on 19 November 2025 and signed on their behalf by:

N Bacon – Chairman of Governing Body

D Skailes – Chairman of Audit Committee

D White – Chief Operating Officer

The notes on pages 32 to 58 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

	Consolidated	
	2025	2024
	£'000	£'000
Reconciliation of net income to net cash flow from operating activities:		
Net (Expenditure) / Income for the reporting period (Statement of Financial Activities)	**(6,169)**	(4,782)
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(703)**	(769)
Endowment donations	**(410)**	(83)
Depreciation	**5,318**	5,055
(Increase)/Decrease in stocks	**5**	(2)
(increase)/Decrease in debtors	**(1,546)**	165
Increase/(Decrease) in creditors	**1,406**	6,628
Increase/(Decrease) in Fees in advance scheme	**(132)**	63
Increase/(Decrease) in pension scheme liability	**45**	58
Net cash (used in) / provided by operating activities	**(2,186)**	6,333
Cash flows from investing activities:		
Purchase of fixed assets	**(14,722)**	(16,246)
Sale of fixed assets	**12**	-
Posting of Historic CGS Recovery	**2,441**	-
Purchase of investments	**(8,503)**	(32,644)
Sale of investments	**6,586**	31,556
Investment income and bank interest receivable	**703**	769
Transfer (to)/from short term bank deposits and equivalent	**13,017**	7,511
Net cash used in investing activities	**(466)**	(9,054)
Cash flows from financing activities:		
New endowments	**410**	83
Net cash provided by financing activities	**410**	83
Change in cash and cash equivalents in the reporting period	**(2,242)**	(2,638)
Cash and cash equivalents at the beginning of the reporting period	**8,904**	11,542
Cash and cash equivalents at the end of the reporting period	**6,662**	8,904
Analysis of cash and cash equivalents:		
Cash at bank	6,662	8,904
	6,662	8,904

The notes on pages 32 to 58 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Rugby School ("the School") is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 registered in England & Wales (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922. The principal address is The Bursary, 10 Little Church Street, Rugby, Warwickshire CV21 3AW.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS102)), Financial Reporting Standard 102 and the Charities Act 2011 and the Rugby School Act 1922. A summary of the principal accounting policies, which have been applied consistently, is set out below.

(a) Basis of Accounting

The charity meets the definition of a public benefit entity.

The Governing Body consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets, including investment properties, are carried at market value at the balance sheet date.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Basis of Consolidation

The consolidated statement of financial activities (SOFA), balance sheet and the consolidated cash flow statement include the financial statements of the School, its subsidiary undertakings and associated entities made up to 30 June 2025. The subsidiary undertakings of Rugby School Enterprises Limited, Little Grange Nursery Limited, Rugby School Global Partnerships Limited, Rugby School International Limited and Rugby School Projects Limited are all trading companies. The associated entities are The Arnold Foundation for Rugby School, Rugby School General Charitable Trust and Rugby School War Memorial Fund, all of which are registered charities.

No separate SOFA has been presented for the charity in the financial statements. The balance sheet of the parent charity is represented by the column headed "parent charity" and includes the results of School operations, the London Estate and the Special Funds, all of which are included within the same legal entity.

The separate parent charity's Statement of Financial Activities (SOFA) for the year ended 30 June 2025 shows gross income, excluding gift aid and donations from group entities, of £ 52.7 million (2024: £51.0 million) and a total deficit of £5.03 million (2024: deficit of £296,000). This included a book reduction in valuation of the London Estate endowment properties of £4.2 million.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash-flow statement with the consolidated financial statements.

The consolidation has been carried out on a line-by-line basis.

(c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated net of staff concessions and sibling discounts but include contributions received from Endowed and Restricted funds for scholarships and bursaries.

The provision of scholarships, augmentations and additional financial support is reviewed at least annually.

(d) Advance Fees

The School offers parents the opportunity to pay for up to 7 years fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the student joins the School, whereupon the fees for each term are released to fee income. Amounts received as Advance Fees may be returned to parents subject to specified conditions.

(e) Donations and legacies

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities that are donated be converted to cash as soon as possible. No amounts are included in the financial statements for services generated by volunteers. Donations subject to specific wishes of the donors are retained in relevant restricted funds.

The assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger deed dated the on 6 January 2020. Given the nature of the transaction, the transfer has been reflected in the School's accounts as a donation.

(f) Expenditure

All expenditure is accounted for on an accruals basis as soon as a liability is considered probable and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been apportioned according to time spent.

(g) Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include finance and human resources and are allocated on a basis consistent with the use of the resource.

(h) Governance Costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for Governing Body and costs associated with meeting constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability.

(i) Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

(j) Leased Assets

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is depreciated over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the SOFA in proportion to the remaining balance outstanding.

(k) Finance Costs

These include amounts accrued in accordance with the terms of the Advance Fee contracts.

(l) Currency

The financial statements are prepared in sterling which is the functional currency of the School.

Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

(m) Taxation

As a registered charity, the School is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Although the School is registered for VAT, School fees prior to December 2024 were exempt from VAT. Irrecoverable VAT on costs incurred is charged to the Statement of Financial Activities.

(n) Pension Schemes

The School contributes to the Government's Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The pension liability is the responsibility of the Teachers' Pension Scheme. As a result, it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, the Scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff, a defined benefit scheme, and the Rugby School Group Stakeholder Pension Scheme, a defined contribution scheme. The defined benefit scheme is administered by trustees and wholly invested with Baillie Gifford, at rates recommended by the Scheme Actuary. The defined contribution scheme is administered by Aviva.

(o) Tangible Fixed Assets

Expenditure on the acquisition or construction of new buildings, fixtures, fittings and equipment costing over £5,000 is capitalised and carried in the balance sheet at historical cost less depreciation. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on fixtures and equipment incurred in the normal day-to-day running of the School and its subsidiaries, and costing less than £5,000, is charged to the SOFA as incurred.

An impairment review of fixed assets is carried out on a regular basis.

(p) Depreciation

Freehold land is not depreciated.

Depreciation of other assets is normally calculated to write off the cost of the tangible fixed assets, less their estimated residual value, on a straight-line basis over the expected useful economic life of the assets. Some assets in the register have previously had their rates of depreciation adjusted to account for historic under-depreciation. Additions of freehold buildings and refurbishments are depreciated from the beginning of the year following completion.

The principal annual rates over which assets are depreciated are:

New building (incl. chapel organ)	50 years (generally)
Refurbishments	15 - 25 years
All-weather pitches and telecommunications work	15 years
Computer equipment	3 years
Other fixtures, fittings and equipment	5 years

(q) Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Investment properties (which are all held in the London Estate) are valued on an open market value basis. A formal professional valuation is carried out every 5 years and prepared on an informal basis in the intervening period. No depreciation is provided on investment properties.

Income from investments is included, together with the related tax credit, in the year in which it is receivable. Rent receivable from investment property is classified as investment income.

(r) Fund Accounting

Unrestricted funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School and have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governing Body for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. In particular:

- permanent endowment arises where a donor intends the gift to be permanently retained. All income for spending will accrue to the appropriate restricted fund.

- expendable endowment funds are accounted for similarly, except that, if required, the capital may be converted into income for spending.

Investment income and gains are allocated to the appropriate fund.

(s) Total Return Accounting

During the year ended 30 June 2025 Rugby School, under powers granted by section 104A of the Charities Act 2011, adopted a total return approach to the investment of the London Estate Investment (non-property) Portfolio. The powers permit the Trustees to invest these funds to maximise total return and to make available a portion of the total return for expenditure each year. The intention is to receive a return of 3% each, with a minimum UTR of £500,000. Until the Trustees decide to appropriate all of the Total Return, the unappropriated portion of the Total Return shall be 'Unapplied Total Return' and remain part of the endowment.

(t) Stocks

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

(u) Reserve for Repairs, Rehabilitation and Reconstruction

In order to maintain the London Estate properties in good order, and with the authority granted by the Minister of Education, a designated reserve is set aside for repairs, rehabilitation and reconstruction. An appropriate sum is transferred to the reserve from the incoming resources of the London Estate to provide sufficient funds to meet liabilities arising in the foreseeable future.

(v) Key judgements and assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances.

The following areas have been considered:

- Pension liability. The School engages a firm of actuaries to provide expert advice about the assumptions made relating to the discount rate used, changes in retirement ages and mortality rates and the effect on the pension liability of changes in these assumptions.

- Investment property valuation. The School engages a firm of chartered surveyors to provide advice on the assumptions relating to the valuation.

(w) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value. The School and its entities only have financial assets and liabilities of a kind that qualify as basic financial instruments.

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2025	2024
	£000	£000
The School's fee income comprises:		
Gross fees	**45,932**	45,155
Less scholarships/bursaries not funded from Restricted Reserves	**(2,380)**	(2,060)
Less staff, sibling and other concessions	**(1,704)**	(1,601)
School Fees Receivable (SOFA)	**41,848**	41,494
Less scholarships/bursaries/grant/prizes/other awards funded from Restricted Reserves	**(4,830)**	(4,760)
Net Fees	**37,018**	36,734
Add back from Restricted Reserve	**4,830**	4,760
	41,848	41,494

In the figures for the year ended 30 June 2025, we have separated out certain scholarships and bursaries which were supported from Designated and other Unrestricted Funds rather than from Restricted Reserves.

3. CHARITABLE ACTIVITIES - SCHOLARSHIPS, GRANTS, PRIZES AND OTHER AWARDS

The total scholarships, grants, prizes and other awards paid for by Endowed and Restricted Funds comprise:

	2025	2024
	£000	£000
Foundation Scholarships	**105**	120
Scholarships	**955**	1,061
Arnold Foundation awards (means-tested)	**1,455**	1,463
Bursaries (means-tested)	**2,311**	2,115
Contribution to School fees	**4,826**	4,759
Prizes and Exhibitions	**4**	1
	4,830	4,760

The total scholarships, grants, prizes and other awards paid for by Unrestricted Funds comprise:

	2025	2024
	£000	£000
Scholarships	**616**	669
Bursaries (means-tested)	**1,764**	1,391
Contribution to School fees	**2,380**	2,060
Total scholarships, grants, prizes and other awards	**7,210**	6,820

4. CHARITABLE ACTIVITIES - OTHER INCOME

	2025	2024
	£000	£000
Other educational charitable activities		
Registration fees	**174**	183
Courses	**342**	56
	516	239
Other ancillary activities		
Extra-curricular activities and trips (recharged)	**1,629**	969
	1,629	969
Other trading activities		
School shop, museum, tuckshop and events	**762**	940
	2,907	2,148

5. TRADING INCOME AND EXPENDITURE

	2025	2024
	£000	£000
Non-ancillary trading activities-including trading subsidiaries	**4,815**	3,803

Investment in subsidiary companies

The School has five wholly owned subsidiaries, Little Grange Nursery Limited, Rugby School Enterprises Limited, Rugby School Global Partners Limited, Rugby School International Limited and Rugby School Projects Limited, all are registered in England and Wales. The revenue accounts, cash flow, assets and liabilities are consolidated in these financial statements. Full financial statements are filed with the Registrar of Companies.

Rugby School Enterprises Limited's principal activity is to supply third parties with the School's sports, catering and other facilities when these are not required by the School. The company covenants its taxable profits to the School.

Rugby School International Limited's principal activity is the provision to third parties of support to establish new premium international schools associated with Rugby School, in relation to using the Rugby School trademarks and know-how.

Little Grange Nursery Limited's principal activity is the operation of a nursery.

Rugby School Global Partnerships Limited commenced operation in September 2023. Its principal activity is the provision of educational training and teaching to partner schools in the UK and internationally.

Rugby School Projects Limited's principal activity is the supply of design and build construction projects.

Additionally, the School has three further associated charities - the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund.

Details of the significant subsidiaries and associated entities at 30 June 2025 are:

	Company registration number	Shareholding		Net Assets at 30 June 2025	Turnover (incl inv't gains)	Expenditure	Profit in the Year
		%	£	£	£'000	£'000	£'000
RS Enterprises Limited	2264068	100	4	4	1,977	1,272	705
Rugby School International Limited	10238790	100	1	1	1,611	1171	440
Rugby School Projects Limited	10742346	100	1	1	9,431	9,157	274
Rugby School Global Partnerships Limited	15087238	100	1	(254,743)	319	367	(48)
Little Grange Nursery Limited	13879790	100	1	1	1,342	982	360
The Arnold Foundation for Rugby School	4516482	-	-	24,850,017	3,018	1,524	1,494
Rugby School Combined War Memorial Fund	-	-	-	2,363,154	43	58	(15)

6. INVESTMENT INCOME

	2025	2024
	£000	£000
Rents receivable	**5,856**	5,405
Income on financial investments	**580**	653
Interest receivable on cash portfolio	**122**	116
	6,558	6,174

The rents receivable relates to leasehold property leases on the London Estate (note 13) and other rental income for the School. The future cumulative minimum lease income under non-cancellable operating leases on the London Estate are as follows:

	2025	2024
	£000	£000
Cumulative Leasehold property income:		
Within one year	**4,719**	5,057
Between 1 – 5 years	**9,817**	11,343
Over 5 years	**18,922**	17,557
	33,458	33,957

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Note	Staff costs £000	Other costs £000	Deprec'n £000	**2025 Total £000**	2024 Total £000
Costs of Generating and Managing Funds:						
Trading costs		1,091	1,413	-	**2,504**	1,593
Fund-raising costs		300	176	-	**476**	422
Finance costs		-	1,183	-	**1,183**	1,134
Investment management Costs		-	4,139	-	**4,139**	2,888
		1,391	6,911	-	**8,302**	6,037
Charitable Activities						
School operations:						
Teaching		17,627	2,741	934	**21,302**	20,711
Welfare		1,443	6,344	113	**7,900**	7,308
Premises		4,534	6,306	4,270	**15,110**	13,331
Support (including ancillary trading expenditure)		3,387	1,713	-	**5,100**	6,265
Governance		98	297	-	**395**	335
School's operating costs		27,089	17,401	5,317	**49,807**	47,950
Scholarships, bursaries and prizes	3	-	4,830	-	**4,830**	4,760
Payment to Lawrence Sherriff School	9	-	626	-	**626**	630
Total Expenditure		28,480	29,768	5,317	**63,565**	59,377

Support costs are attributable to the charitable activity of the provision of education and include finance, human resources, information technology, marketing, secretarial and legal support.

8. EXPENDITURE

Total resources expended include the following amounts:

	2025 £000	2024 £000
Amounts accrued to advance fees	**176**	23
Governors' expenses	**15**	5
Fees payable to the Charity's auditors for:		
• The audit of the Charity and Group accounts	**89**	81
• Tax and VAT advisory services	**18**	15
• Pensions audit	**2**	1

9. PAYMENT TO LAWRENCE SHERIFF SCHOOL

Under the Rugby School (Transfer) Act 1906, as amended by the Rugby School Act 1922 and an Order of the Secretary of State for Education and Science dated 30 October 1968, an annual sum is payable to Lawrence Sheriff School, consisting of the income from an initial investment of £34,500 (market value at 30 June 2025 of £940,744 (2024: £1,149,329), plus one fifth of the remaining net annual income of the London Estate (before minor adjustments), plus £100. The total amount payable to Lawrence Sheriff School in respect of the 2024/25 financial year was £626,356 (2024: £629,715).

10. STAFF COSTS

Total Staff Costs:	**2025**	2024
	£000	£000
Salaries and wages	**22,583**	21,495
Social security costs	**2,229**	2,020
Pension contributions	**3,501**	3,128
	28,313	26,643
Benefits – health insurance contributions	**167**	143
Salaries and wages	**28,480**	26,786

Staff costs include redundancy and termination costs of £86,633 (2024: £nil) of which £nil remained outstanding at the year-end.

The average number of staff employed in the year was:

	2025	2024
	No.	No.
Teaching	**250**	284
Operations and Administration	**524**	507
Total	**774**	791

The School employs a significant number of part-time staff, many of whom are only employed for a few hours each week during term time.

Key Management Personnel

The Key management Personnel for 2024/25 has been expanded to include the executive leadership of the group, the SLT at BG as well as the SMT at Rugby School. Using this new definition of Key Management Personnel, the earnings of the Key Management Personnel for the year to 30 June 2025 were £2.804 million (2024: £1.817 million) including P11d benefits, employer national insurance and pension contributions.

10. STAFF COSTS *(continued)*

The number of employees whose emoluments, including P11d benefits but excluding employer national insurance and pension contributions, exceeded £60,000 on an annual basis were:

	2025	2024
	No	No
£60,000 - £69,999	**28**	28
£70,000 - £79,999	**19**	16
£80,000 - £89,999	**9**	9
£90,000 - £99,999	**4**	6
£100,000 - £109,999	**3**	2
£110,000 - £119,999	**3**	-
£120,000 - £129,999	**-**	1
£130,000 - £139,999	**1**	-
£140,000 - £149,999	**2**	2
£150,000 - £159,999	**-**	1
£160,000 - £169,999	**1**	1
£180,000 - £189,999	**1**	1

23 of these employees (2024: 23) were members of a defined benefit pension scheme and employees 48 (2024: 44) were members of a defined contribution scheme at a charge of £1,128,000 for the year.

No Governors or persons connected with them received any remuneration or other benefits from the School or any connected organisation.

11. TAXATION

The School has charitable status and is thus exempt from corporation tax on primary purpose activities.

There is no UK corporation tax charge, in respect of the current or prior years, incurred by the trading subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited, Rugby School Global Partnerships Limited, Little Grange Nursery Limited or Rugby School Projects Limited.

12. FREEHOLD LAND & BUILDINGS, FIXTURES AND EQUIPMENT

	Parent Charity and Consolidated			
	Freehold land & buildings	**Assets under construction**	**Fixtures & equipment**	**Total**
COST	£000	£000	£000	**£000**
As at 1 July 2024	**116,299**	**6,613**	**8,433**	**131,345**
Additions	4,984	9,087	651	**14,722**
Transfers	527	(527)	-	**-**
Disposals	-	-	(51)	**(51)**
Historic CGS Recovery	(2,441)	-	-	**(2,441)**
As at 30 June 2025	**119,369**	**15,173**	**9,033**	**143,575**
DEPRECIATION				
As at 1 July 2024	**50,237**	**-**	**6,845**	**57,082**
Charge for the year	4,711	-	606	**5,317**
Transfers	-	-	-	**-**
Disposals	-	-	(39)	**(39)**
As at 30 June 2025	**54,948**	**-**	**7,412**	**62,360**
NET BOOK VALUE				
As at 30 June 2025	**64,421**	**15,173**	**1,621**	**81,215**
As at 30 June 2024	66,062	6,613	1,588	74,263

Fixtures and equipment includes kitchen assets purchased in line with the catering contract.

The net book value of equipment includes £0 relating to assets held under finance leases (2024: £0). A depreciation charge of £0 occurred in the year for finance leases (2024: £0).

In addition to the assets recorded on the balance sheet, the School has a collection of works of art and museum exhibits, which it has acquired over many years, mostly as gifts. A physical inventory of these assets is maintained but since such assets are held for educational purposes and are not for sale, the Governing Body consider that they do not meet the definition of Heritage Assets in the financial statements and the cost of valuation outweighs any benefit gained. In the opinion of the Governing Body the depreciated historical cost of these assets would now be immaterial.

Capital Commitments
Capital commitments in the form of orders approved and authorised, at 30 June 2025 amounted to £2,919,268 (2024: £1,249,090). In addition, in Rugby School Projects, at 30 June 2025 the commitment remaining for the contract with Stepnells relating to the new Boarding House at Bilton Grange amounted to £1,229,190 (2024: £8,200,996).

13. FIXED ASSET INVESTMENTS

Parent Charity

	London Estate	Bilton Grange	Special Funds	Comp'n of Fees	Total
	£000	£000	£000	£000	**£000**
Balance at 1 July 2024	100,694	-	38,414	1,380	140,488
Additions	-	-	4,817	151	**4,968**
Cash balance movement	(150)	-	441	(8)	**283**
Disposals at net proceeds	(1,723)	-	(2,461)	(85)	**(4,269)**
Revaluations	(3,128)	-	3,332	(11)	**193**
Balance at 30 June 2025	95,693	-	44,543	1,427	**141,663**
Represented by:					
Freehold properties	89,000	-	-	-	**89,000**
Financial investments	5,881	-	43,326	968	**50,175**
Cash deposits	812	-	1,217	459	**2,488**
	95,693	-	44,543	1,427	**141,663**

Consolidated

	Parent Charity	Arnold Foundation	War Memorial	Total
	£000	£000	£000	**£000**
Balance at 1 July 2024	**140,488**	**25,795**	**2,384**	**168,667**
Additions	4,968	2,365	245	**7,578**
Cash balance movement	283	563	80	**926**
Disposals at net proceeds	(4,269)	(1,989)	(328)	**(6,586)**
Revaluations	193	1,928	10	**2,131**
Balance at 30 June 2025	141,663	28,662	2,391	**172,716**
Represented by:				
Freehold properties	89,000	-	-	**89,000**
Financial investments	50,175	28,098	2,307	**80,580**
Cash deposits	2,488	564	84	**3,136**
	141,663	28,662	2,391	**172,716**

The London Estate investments include property professionally valued by Farebrother, Chartered Surveyors as at 30 June 2022. The Governing Body's updated valuation of the property portfolio as at 30 June 2025 was obtained in consultation with Farebrother and reflects the changes in the market conditions.

The London Estate investments includes £89 million property and £6.7 million in its managed equity portfolio.

13. FIXED ASSET INVESTMENTS *(continued)*

To fulfil the requirements of FRS 102, the Governing Body have included the properties in the financial statements at the open market valuation, though it is the intention of the Governing Body to retain the investment properties within the School's endowed funds (note 20) with only the income being used towards the School's charitable purposes. As described in the Governors' Report, Rugby School's share of the net income from these properties is used primarily to finance foundations, scholarships, bursaries and other allowances awarded by the School.

The gross rental income generated from the London Estate properties in 2024/25 was £5.5 million (2023/24: £5.4 million).

The Estate is wholly owned by Rugby School. However, under the terms of the Rugby Lower School (Transfer) Act 1906 and of the Rugby School Act 1922, and as recorded in Note 9, one fifth of the annual net income from this Estate is paid to Lawrence Sheriff School in Rugby.

Special Funds comprise a number of different funds, the income and capital from which is restricted for specific purposes such as scholarships, grants and prizes.

14. DEBTORS

	Parent Charity		**Consolidated**	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Trade debtors	**3,666**	2,743	**4,501**	3,122
Taxation recoverable and accrued income from HMRC	**-**	-	**349**	1,021
Other debtors	**1,079**	703	**1,138**	718
Inter-group balances	**6,025**	3,572	**-**	-
Prepayments and accrued income	**942**	959	**1,451**	1,035
	11,712	7,977	**7,439**	5,896

15. CREDITORS: due within one year

	Parent Charity		Consolidated	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Trade creditors	**2,989**	2,852	**3,019**	2,986
Taxation and social security	**1,123**	786	**1,163**	817
Other creditors	**1,277**	1,646	**1,280**	1,650
Inter-group balances	**-**	-	**-**	-
Accruals and deferred income	**1,851**	3,016	**2,864**	4,176
Entrance fees and final term deposits	**1,338**	1,226	**1,381**	1,257
Advance fees	**302**	646	**303**	646
Advance fees via Scheme (note 17)	**3,710**	1,801	**3,710**	1,802
	12,590	11,973	**13,720**	13,334

16. CREDITORS: amounts due after more than one year

	Parent Charity		Consolidated	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Finance lease creditor	**-**	-	**-**	-
Debt finance	**35,000**	35,000	**35,053**	35,055
Entrance fees and final term deposits	**4,087**	3,347	**4,086**	3,347
Advance fees via Scheme (note 17)	**3,631**	3,481	**3,631**	3,481
	42,718	41,828	**42,770**	41,883

17. COMPOSITION OF FEES SCHEME

Parents may enter into a contract to pay to the School in relation to fees in future terms in advance under the School's Composition of Fees Scheme. The money may be returned subject to specific conditions. Assuming the students enter and remain at the School, the advance fees paid will be paid as follows:

	2025	2024
	£000	£000
More than 2 years	**1,543**	1,790
Between 1 to 2 years	**2,088**	1,690
	3,631	3,480
Within 1 year (note 15)	**3,710**	1,801
Total Future Payments at 30 June	**7,341**	5,281

17. ADVANCE FEE PAYMENTS *(continued)*

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

	2025	2024
	£000	£000
Balance at 1 July	**5,281**	913
New contracts	**6,208**	5,305
Refunds	**(270)**	(120)
Amounts accrued to contracts	**175**	21
	11,394	6,119
Amounts utilised in payment of fees to the School	**(4,053)**	(838)
Balance at 30 June	**7,341**	5,281

18. PENSION SCHEMES

(a) Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff although it enacted phased withdrawal from September 2023 so that new joiners will not be able to join the TPS. The pension charge for the year includes Employer contributions payable to the TPS of £1,715,631 (2024: £2,106,364). There was £161,675 accrued in respect of employer and employee contributions payable at the year-end (2024 - £266,868).

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

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

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

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

18. PENSION SCHEMES *(continued)*

(b) Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973)

Composition of the Scheme

The School operates a defined benefit pension scheme, the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the School in trustee administered funds. The Scheme closed to future accrual on 5 April 2006. Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary.

Actuarial valuation

A full actuarial valuation was carried out at 6 April 2024 and showed the Scheme to be in surplus by £76k; expressed as a percentage (assets divided by liabilities) the scheme was 101% funded on an 'ongoing basis'. Given the conservative assumptions applied and the strong employer covenant the Trustees have agreed that it would be unnecessary to seek contributions from the School.

The next tri-annual valuation date is set to be as of 5 April 2027.

The principal actuarial assumptions at the balance sheet date were:

	2025	**2024**
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions payment	5.00%	5.00%
Discount rate	5.34%	5.01%
Inflation assumption	3.21%	3.78%
Statutory rate of increase of pensions in deferment	3.21%	3.78%
Expected return on Scheme assets	5.34%	5.01%
Assumes life expectancy on retirement at age 60:		
Retiring today – males	26.0	25.8
Retiring today – females	28.5	28.5
Retiring in 20 years – males	27.1	27.0
Retiring in 20 years – females	29.7	29.7

The amounts recognised in the balance sheet are as follows:

	Market Value 2025 £000	Market Value 2024 £000
Fair value of Scheme assets	**5,766**	5,671
Present value of funded obligations	**(5,076)**	(5,287)
Irrecoverable Surplus	**(690)**	-
Asset/(Deficit) in the scheme	**0**	384

18. PENSION SCHEMES *(continued)*

Change in the present value of the defined benefit obligation are as follows:

	2025	2024
	£000	£000
Defined benefit obligation at 1 July	**5,287**	5,803
Interest cost	**257**	293
Benefits paid	**(306)**	(443)
Actuarial losses/(gains)	**(162)**	(366)
Defined benefit obligation at 30 June	**5,076**	5,287

Change in the present value of the scheme assets are as follows:

	2025	2024
	£000	£000
Fair value of scheme assets at 1 July	**5,670**	5,690
Employer Contributions	**-**	-
Benefit payments	**(306)**	(443)
Expenses paid	**(63)**	(50)
Expected return on scheme assets	**275**	284
Actuarial gains / (losses)	**190**	189
Fair value of scheme assets at 30 June	**5,766**	5,670

Analysis of the amounts charged within the Statement of Financial Activities are as follows:

	2025	2024
	£000	£000
Interest on pension scheme liabilities	**(257)**	(293)
Expenses	**(63)**	(50)
Expected return on pension scheme assets	**275**	285
Total amount charged to the Statement of Financial Activities	**(45)**	(58)

Analysis of actuarial gains and losses:

	2025	2024
	£000	£000
Actual return less expected return on scheme assets	**190**	189
Experience gains and losses arising on the scheme liabilities	**12**	310
Changes to assumption underlying the present value of the scheme liabilities	**149**	56
Actuarial gain/(loss)	**351**	555

18. PENSION SCHEMES *(continued)*

Actual return:

	2025	2024
	£000	£000
Actual return on the Scheme assets in the period	**463**	473

The School does not expect to contribute to the defined benefit pension scheme during 2024/25.

History of experience gains and losses:

	2025	2024	2023	2022	2021
	£000	£000	£000	£000	£000
Present value of Scheme liabilities	**5,076**	5,286	5,803	6,370	8,409
Fair value of Scheme assets	**5,766**	5,670	5,690	6,067	7,057
Asset/(Deficit)	**690**	384	(113)	(303)	(1,352)
Experience gains /(losses) on the liabilities	**12**	310	(204)	(5)	34
Experience gains/(losses) on scheme assets	**190**	189	(371)	(909)	823
Actuarial gain/(loss)	**351**	555	222	1,113	1,240

Virgin Media pension case

The Charity is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). The Charity understands that the government intends to legislate on this matter. At present the legal and legislative process is incomplete and therefore we are unable to quantify any potential liabilities.

(c) Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff

From 1 October 1997 to 30 September 2001, Rugby School operated a defined contribution pension scheme for certain non-teaching staff. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

With effect from 1 October 2001, the scheme was replaced by the Rugby School Group Stakeholder Pension Scheme. The School contributes double the employee contributions up to a maximum of 12% of pensionable pay. Employer contributions totalling £2,519,422 (2024: £1,414,998) were paid in respect of this pension scheme for the year. This increase reflects an increasing number of the teaching staff in both schools joining the scheme as a result of the phased withdrawal put into effect for the TPS from September 2023. At the period-end £249,239 (2024: £143,794) was payable in respect of employer and employee contributions to this scheme.

The assets of all schemes are held separately from the School in independently administered funds.

19. ANALYSIS OF NET ASSETS

(a) Current year analysis of net assets between funds:

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds	Restricted Funds	Unrestricted Funds	Advance Fees	2025 Total
	£000	£000	£000	£000	**£000**
Parent Charity					
Fixed Assets	-	-	81,215	-	**81,215**
Investments	106,776	24,228	9,231	1,427	**141,662**
Net Current Assets/ (Liabilities)	3,937	(6,749)	16,438	2,002	**15,628**
Long Term Liabilities	-	-	(39,087)	(3,631)	**(42,718)**
	110,713	**17,479**	**67,797**	**(202)**	**195,787**
Consolidated					
Fixed Assets	-	-	81,215	-	**81,215**
Investments	127,983	34,073	9,232	1,427	**172,715**
Net Current Assets/(Liabilities)	127	(6,778)	16,235	2,002	**11,586**
Long Term Liabilities	-	-	(39,139)	(3,631)	**(42,770)**
	128,110	**27,295**	**67,543**	**(202)**	**222,746**

Note: The negative Advance Fees creditor reflects the redeployment of funds into unrestricted for the Composition of Fees Scheme as such funds are freely usable by the School.

(b) Prior year analysis of net assets between funds

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds	Restricted Funds	Unrestricted Funds	Advance Fees	2024 Total
	£000	£000	£000	£000	**£000**
Parent Charity					
Fixed Assets	-	-	74,263	-	**74,263**
Investments	110,586	20,137	8,384	1,383	**140,490**
Net Current Assets/ (Liabilities)	3,887	(3,295)	24,889	2,029	**27,510**
Long Term Liabilities	-	-	(37,964)	(3,480)	**(41,444)**
	114,473	**16,842**	**69,572**	**(68)**	**200,819**
Consolidated					
Fixed Assets	-	-	74,263	-	**74,263**
Investments	128,716	30,184	8,384	1,383	**168,667**
Net Current Assets/(Liabilities)	1,449	(3,300)	24,736	2,029	**24,914**
Long Term Liabilities	-	-	(38,019)	(3,480)	**(41,499)**
	130,165	**26,884**	**69,364**	**(68)**	**226,345**

20. ENDOWED FUNDS

(a) Current year movement in endowed funds:

	Balance at 30 June 2024	Incoming funds	Amounts expended	Total return to income	Investment gains/ (losses)	Balance at 30 June 2025
	£000	£000	£000	£000	£000	**£000**
Parent Charity						
London Estates: Property	96,587	-	-	-	(4,150)	**92,437**
London Estates: Equity	7,283	50	-	-	1,021	**8,354**
Lewis Benefaction fund	10,603	105	(655)	-	(130)	**9,923**
Bilton Grange	-	-	-	-	-	**-**
	114,473	155	(655)	-	(3,259)	**110,714**
Consolidated						
Arnold Foundation Awards	15,692	410	-	-	1,295	**17,396**
	130,165	565	(655)	-	(1,965)	**128,110**

(b) Prior year movement in endowed funds:

	Balance at 30 June 2023	Incoming funds	Amounts expended	Total return to income	Investment gains/ (losses)	Balance at 30 June 2024
	£000	£000	£000	£000	£000	**£000**
Parent Charity						
London Estates: Property	101,937	-	-	-	(5,350)	**96,587**
London Estates: Equity	5,955	81	-	-	1,247	**7,283**
Lewis Benefaction fund	9,827	111	(652)	-	1,317	**10,603**
Bilton Grange	-	-	-	-	-	**-**
	117,719	192	(652)	-	(2,786)	**114,473**
Consolidated						
Arnold Foundation Awards	13,208	84	-	-	2,400	**15,692**
	130,927	276	(652)	-	(386)	**130,165**

London Estates
The London Estate consists principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial and residential rental income (see restricted funds). Endowed funds also include equity investments (see Total Return note 20c). In the year there was no application of total return to income (see detail in Total Return note 20c).

Lewis Benefaction Fund
The Lewis Benefaction Fund is an expendable endowment capital fund which generates income for the provision of scholarships and bursaries. The income from the fund is fully utilised for this purpose (see restricted funds) and the capital has not been expended.

Arnold Foundation Awards
The Arnold Foundation endowed funds includes £50 of permanent funds and the balance relates to expendable endowment funds which generate income for the financing of bursary awards to Rugby School. This fund is held by the Arnold Foundation for Rugby School. The income from the fund is utilised for this purpose (see restricted funds).

(c) Statement of Total Return

The School adopted a Total Return policy for its London Estate Endowed Non-Property Investment Funds only. This allows investment managers greater flexibility in managing funds within the agreed risk parameters. Unapplied total returns are the total returns on the investments (capital or income in nature), less monies paid out of the Endowed Funds.

The preserved value is protected with an annual CPI uplift and is based on a valuation date of 31 July 2009.

The Unapplied Total Return movements are:

	Preserved Value £000	Unapplied Value £000	**Total £000**
Brought forward:			
Preserved Value	5,806	-	**5,806**
Unapplied Total Return	-	1,221	**1,221**
Total	5,806	1,221	**7,027**
Movement in reporting period:			
Investment return: dividend/income	-	50	**50**
Investment return: gains/losses	-	1,021	**1,021**
Unapplied total return allocated to income	-	(40)	**(40)**
Unapplied total return allocated to capital	348	(348)	**-**
Additional Grant to Lawrence Sheriff School	-	(10)	**(10)**
Net movement in reporting period:	348	673	**1,021**
Carried Forward at 30 June 2025:			
Total	6,154	1,894	**8,048**

21. RESTRICTED FUNDS

(a) Current year movement in restricted funds:

	Balance at 30 June 2024	Incoming funds	Amounts expended	Transfer	Total Return t/f applied to income	Investm't gains	Balance at 30 June 2025
	£000	£000	£000	£000	£000	£000	**£000**
Parent Charity							
Special Funds:							
Common Investment Fund	15,186	65	(801)	-	-	2,295	**16,745**
Lewis Benefaction Fund	-	-	-	-	-	-	**-**
London Estate	907	5,689	(6,968)	-	-	-	**(372)**
School	748	357	-	-	-	-	**1,105**
	16,841	6,111	(7,769)	-	-	2,295	**17,478**
Consolidated							
War Memorial	2,378	33	(58)	-	-	10	**2,363**
General Charitable Trust	-	358	(358)	-	-	-	**-**
Arnold Foundation for Rugby School	7,665	324	(1,167)	-	-	632	**7,454**
	26,884	6,826	(9,352)	-	-	2,937	**27,295**

(b) Prior year movement in restricted funds:

	Balance at 30 June 2023	Incoming funds	Amounts expended	Transfer	Total Return t/f applied to income	Investm't gains	Balance at 30 June 2024
	£000	£000	£000	£000	£000	£000	**£000**
Parent Charity							
Special Funds:							
Common Investment Fund	12,007	70	(685)	-	-	3,795	**15,187**
Lewis Benefaction Fund	-	-	-	-	-	-	**-**
London Estate	1,390	5,299	(5,782)	-	-	-	**907**
School	742	6	-	-	-	-	**748**
	14,139	5,375	(6,467)	-	-	3,795	**16,842**
Consolidated							
War Memorial	2,093	35	(57)	-	-	307	**2,378**
General Charitable Trust	-	23	(6)	(17)	-	-	**-**
Arnold Foundation for Rugby School	6,931	978	(1,504)	-	-	1,259	**7,665**
	23,163	6,411	(8,034)	(17)	-	5,361	**26,884**

Common Investment Fund
The Common Investment Fund consists of numerous funds, the income and capital being restricted for specific purposes. With the approval of the Charity Commission, there is a pooling system under which investments belonging to its restricted fund are pooled. The majority of the funds are restricted for the provision of scholarships, bursaries and prizes.

Lewis Benefaction Fund
The income from the endowed fund is fully utilised for the provision of scholarships and bursaries.

21. RESTRICTED FUNDS *(continued)*

London Estates

The London Estate endowment yields commercial and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four fifths which remain, the primary use is to fund foundations and scholarships. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Included within the London Estate Fund is a Reserve Fund for repairs, rehabilitation and reconstruction:

	2025	2024
	£000	£000
As at 1 July	**1,230**	1,230
Transfer from/to net income resources	**0**	0
As at 30 June	**1,230**	1,230

In accordance with an Order made by the Minister of Education on 15 January 1963, the Governing Body may transfer funds into a Reserve Fund for the reconstruction and development of the real property of the Foundation at Holborn (the London Estate). No funds were transferred out of restricted funds in the year (2022: no funds) which would represent fulfilment of restricted capital projects.

War Memorial Fund

The War Memorial Fund makes grants to help the children of those in the Armed Forces and the Emergency Services, who are in need of financial assistance, to attend or to remain at Rugby School. An annual grant of £50,000 was made to support bursary programmes at Rugby School from the fund.

General Charitable Trust

The Trust receives income from covenants and legacies which were established prior to the existence of the Arnold Foundation. The income is gifted to the School, usually to assist with specific capital projects. In the year there was a transfer of £356,764 (2024: £23,000).

Arnold Foundation for Rugby School

The Arnold Foundation fund is monies given to provide funds and future income for the provision of bursary awards to Rugby School and to Bilton Grange via the Earle Fund.

	£000
Expended by the Arnold Foundation in the year to 30 June 2025 in accordance with the wishes of the donors:	
Funding of bursary programme	1,455
Unexpended balance of gifts and legacies as at 30 June 2025:	
Restricted funds to be utilised for Bursary Awards	7,268
Unrestricted funds in Arnold Foundation to be utilised for bursary Awards	186
	7,454

Unrestricted Funds in the Arnold Foundation are treated as Restricted for the School. Fundraising costs in the year of £476,029 (2024: £441,000) were met by Rugby School.

22. UNRESTRICTED FUNDS

(a) Current year movement in unrestricted funds:

	Balance 30 June 2024	Incoming funds	Amounts expended	Transfers	Investment gains/ (losses)	**Balance 30 June 2025**
	£000	£000	£000	£000	£000	**£000**
Parent Charity						
Designated funds:						
Fixed assets fund	74,263	-	-	6,952	-	**81,215**
Building maintenance fund	282	-	-	-	-	**282**
Commercial entities fund	688	-	-	-	-	**688**
Bilton Grange designated	-	-	-	-	66	**66**
Bloxam Fund	11,799	(496)	(18)	-	1,254	**12,540**
General unrestricted funds:						
School operations	(17,913)	35,820	(38,768)	(6,952)	616	**(27,196)**
Pension reserve	384	-	(45)	-	(339)	**-**
	69,504	35,324	(38,831)	-	1,598	**67,595**
Consolidated						
Rugby School Enterprises	-	1,977	(1,977)	-	-	**-**
Rugby School International	-	1,611	(1,611)	-	-	**-**
Rugby School Global P'ships	(208)	319	(366)	-	-	**(253)**
Rugby School Projects	-	9,431	(9,431)	-	-	**-**
Little Grange Nursery	-	1,342	(1,342)			**-**
	69,296	50,005	(53,558)	-	1,598	**67,342**

(b) Prior year movement in unrestricted funds:

	Balance 1 July 2023	Incoming funds	Amounts expended	Transfers	Investment gains/ (losses)	**Balance 30 June 2024**
	£000	£000	£000	£000	£000	**£000**
Parent Charity						
Designated funds:						
Fixed assets fund	63,071	-	-	11,192	-	**74,263**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	282	-	-	-	-	**282**
Commercial entities fund	688	-	-	-	-	**688**
Bilton Grange designated	5,286	-	-	(5,560)	274	**-**
Bloxam Fund	11,800	(517)	(12)	-	528	**11,799**
General unrestricted funds:						
School operations	(11,757)	38,887	(40,876)	(5,615)	1,449	**(17,913)**
Pension reserve	(113)	-	(58)	-	555	**384**
	69,257	38,370	(40,946)	17	2,806	**69,504**
Consolidated						
Rugby School Enterprises	-	1,911	(1,911)	-	-	**-**
Rugby School International	-	665	(665)	-	-	**-**
Rugby School Global P'ships	-	10	(218)	-	-	**(208)**
Rugby School Projects	-	5,699	(5,699)	-	-	**-**
Little Grange Nursery	-	1,255	(1,255)			**-**
	69,257	47,910	(50,694)	17	2,806	**69,296**

22. UNRESTRICTED FUNDS *(continued)*

Fixed asset fund

The fund carried forward at the year-end represents the net book amounts invested in tangible fixed assets. A transfer of £6,952,068 was made into the fund (2024: transfer into the fund of £11,192,000) which represents the net fixed asset additions, disposals and depreciation for the year.

Building maintenance fund

The building maintenance fund was originally established for maintenance priorities of the School's buildings over a five-year period. In the year £nil (2023: £nil was expended) was expended from the fund.

Commercial entities fund

The funds gifted by Rugby School Enterprises Limited, Rugby School International limited, Rugby School Global Partnerships Limited, Rugby School Projects Limited and Little Grange Nursery Limited are to be utilised on projects which would benefit a significant proportion of the School's community and may be used for bursaries for exceptional students. £1,779,198 was transferred for the year (2024: £1,400,222).

Bilton Grange fund

With the charitable merger of Bilton Grange into the School, the non-endowment investments previously held in the name of Bilton Grange Trust Limited were designated by the Governors to be used for capital investment into Bilton Grange and its facilities. These funds have largely been deployed to support the construction of the new boarding house at Bilton Grange.

Bloxam fund

The funds in the Bloxam Fund were originally a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books. These funds have been designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community. These funds are added to by various fundraising initiatives or donations from time to time.

School operations

General unrestricted funds are invested in the fabric and estate of the School which is critical to the educational provision.

23. FINANCE AND LEASE COMMITMENTS

The School has the following minimum lease payments, due in relation to non-cancellable operating lease agreements:

	Parent Charity		**Consolidated**	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Payable within 1 year	**820**	734	**822**	734
Payable between 2 to 5 years	**587**	665	**587**	665
Payable after more than 5 years	**-**	-	**-**	-
	1,407	1,399	**1,409**	1,399

During the year the School maintained in place an annually renewable, unsecured, on-demand, £5,000,000 overdraft facility with National Westminster Bank Plc. The facility has remained undrawn during the year ending 30 June 2025.

23. FINANCE AND LEASE COMMITMENTS *(continued)*

On 30 June 2021, the School committed to a 40-year private issue for £35 million placed with MetLife, that closed and funded on 1 September 2021, due for repayment on 1 September 2061. Interest at 2.32% per annum is computed on a 30/360-day basis and payable semi-annually on 1 March and 1 September.

24. RELATED PARTY TRANSACTIONS

The children of staff and Governors may attend the School, subject to the normal entry procedures. In such cases, Governors pay School fees at the standard rates, but staff members receive a discount.

25. CONTINGENT LIABILITIES AND ASSETS

The School is subject to one ongoing claim, one by parents of a former student who was unhappy with their experience at the School. No provision has been made for any liabilities for these claims at 30 June 2025 as there remains some uncertainty as to the potential outcome in relation to both value and timing. The claim is expected to be covered by insurance.

26. POST BALANCE SHEET EVENTS

On 1 July 2025 Aysgarth School, a thriving boarding prep school in Yorkshire, was welcomed into the Rugby School Group by way of a merger by charitable donation from Aysgarth School Trust Limited into the Rugby School charity. Given the nature of the transaction, the transfer is expected to be reflected in the School's 2025-26 accounts as a donation at net book value. The accounts for Aysgarth for 24-25 have not yet been finalised and therefore the School is unable to estimate the net book value at this time.

On 22 September 2025, the School announced that Old Buckenham Hall, Suffolk's leading boarding prep school, will be the next boarding prep school to join the Rugby School Group by way of a charitable merger by donation on 6 January 2026. Given the nature of the transaction, the transfer is expected to be reflected in the School's 2025-26 accounts as a donation at net book value. The accounts for OBH for 24-25 have not yet been finalised and therefore the School is unable to estimate the net book value at this time.

Based on the net book values in the 23-24 audited financial statements, the above mergers would result in an estimated increase in the Net Assets of the School of £6.1 million.

Further mergers are under consideration but no commitment has been made as of the date of these accounts. There were no other material post-balance sheet events.

RUGBY SCHOOL

England & Wales - Charity number 528752

Accounts

Rugby School

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Registered Charity Number 528752
www.rugbyschool.co.uk

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Governing Body	**Appointed by**
B J O'Brien, LLB (Chair – resigned 6 March 2024)	
N Bacon FCA, CTA (3,4,5,6,7) (Chair – from 7 March 2024)	Governing Body
R Aggarwal, MA, MBA (5)	Governing Body
J C Barwell OBE (resigned 17 October 2024)	Governing Body
E Marsden (Beesley) (9) (appointed 1 July 2024)	Common Room
C A Thompson (Coates) LLB (2,6,8)	Governing Body
J Eastwood BA (resigned June 2023)	Governing Body
R J Elmhirst LLB (Deputy Chair – resigned 22 March 2024)	Governing Body
C Greenhalgh (1,2) (appointed 4 September 2024)	Governing Body
A S Habib (3,5)	Governing Body
C Marten MA (1,5,6,8,9) (Deputy Chair – from 23 March 2024)	Governing Body
F McLean (appointed 20 November 2024)	Governing Body
J Moreland MA, PGCE, NPQH (resigned 30 June 2024)	Common Room
Rev Canon Dr M Pryce (1)	Governing Body
General Sir T Radford KCB DSO OBE (6)	Governing Body
D Skailes BSC, FCA (3,5,6) (Deputy Chair – from 23 March 2024)	Governing Body
P Smulders BA, MBA (resigned November 2023)	Governing Body
T Strain (7) (appointed 20 November 2024)	Governing Body
G Swan (appointed 20 November 2024)	Governing Body
C Wills LLP (resigned 1 May 2024)	Governing Body

Executive Head Master

P R A Green MA, PGCE – resigned 31 December 2023

Head Master of Rugby School	**Head Master of Bilton Grange**	**CEO Rugby School Global**
G Parker-Jones MA, PGCE	G E B Jones MEd, BA, PGCE	Dr N G Hampton MA, PhD, PGCE

Chief Operating Officer and Clerk to the Governing Body

P A Nicholls MA, FCA **–** resigned 31 August 2024

Dr D J White MA, PhD, FDA – appointed 1 October 2024

Principal Address and Registered Office

Rugby School, The Bursary, 10, Little Church Street, Rugby, CV21 3AW

Membership of Principle Governing Body Committees (as of date of this report)

(1) RS Education	(2) BG Education	(3) Finance, Audit & Estates
(4) Investment	(5) International Development	(6) Nominations
(7) Fundraising	(8) Risk, Compliance & Safeguarding	(9) Student Pastoral Welfare

Other Current Members of Governing Body Committees

W Assheton (3)	R Draycott (5)	P Henderson (4)	C Howe (1)
S Lebus (5)	C Lam (7)	A McNeile (2)	D McNeill (7)
F Salway (3)	A Stuart (1)	C Wills (5)	P Yates (4)

(Relevant senior employees of the School are present in attendance at each Governing Body Committee)

Auditor

Crowe U.K. LLP
Cheltenham

Advisers

Bankers
National Westminster Bank plc, Rugby

Investment Property Manager
Tandem Property Asset Management, London

Surveyors
Farebrother, London

Solicitors
Veale Wasbrough Vizards LLP, Bristol

Principal Investment Managers
Quilter Cheviot Ltd, London
Partners Capital LLP, London
Veritas Investment Management, London
WCM Investment Management, California

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2024

The Governing Body of Rugby School ("Governing Body"), who are the trustees of Rugby School including Bilton Grange (the "School" or the "Charity"), present their Annual Report and the audited financial statements of the Charity for the year ended 30 June 2024. The Governing Body confirms that the financial statements comply with the Charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)) and with the Charities Act 2011.

The Charity's Objectives

Charitable Objects
The provision of a broad liberal Christian education at a boarding and day school at the School for children from Rugby and neighbourhood and elsewhere, and by ancillary or incidental activities and other associated activities for the benefit of the community.

Statement of Values
The Charity's principal activity is the education and pastoral care of its students at Rugby School and Bilton Grange. All of its assets and its income and expenditure relate to that activity. The fundamental ethos of 'the Whole Person is the Whole Point' is everything we undertake at the schools to fulfil that principal aim.

The Charity's Strategic Plan includes a Statement of the Rugby School Group ethos:

- 'Whole Person, Whole Point' is a useful short-hand for encapsulating what a Rugby School Group education is. It is a modern interpretation of Arnoldian[1] traditions: character development, leadership, questioning, balance, belonging and inclusivity.
- All schools in the Group will maintain rigorous standards of best practice in safeguarding and child protection.
- Schools in the Group provide an education that focuses on learning dispositions, not simply the acquisition of knowledge, and includes the full range of academic disciplines.
- Through the mechanism of a learner profile, attitudes, values, skills and knowledge are given equal weighting in an education in which all students sing and make music, are physically active and play sport, are given opportunities for creativity, attend concerts and exhibitions, take part in academic enrichment, have regular meetings with their tutor, and are given leadership opportunities throughout the School.
- The Group strives to be an international network of best-in-class schools, forming genuine partnerships that are more than just a badge above the door; schools which are authentically 'Rugby' but with a local flavour.
- There is a culture in which students are encouraged to ask themselves 'is there more to life than the immediately visible?'
- All students and staff have a commitment to serving others.
- All schools in the Group operate along the lines of a co-educational full boarding school with day pupils.
- There is a strong house system through which outstanding pastoral care is delivered, designed to foster a sense of belonging and inclusion.
- Schools in the Group cherish and nurture the values of team sport as embodied by the game of Rugby Football.

[1] Arnoldian refers to Thomas Arnold, Rugby's most famous Head Master from 1828-1842. His ethos for Rugby became a model for other public schools and exercised a strong influence on the education system of England and beyond.

- All schools have a charitable and philanthropic mechanism to allow talented and academically able children to attend, regardless of their family's financial means or background.
- A global Rugbeian Society will preserve and enhance the bonds of friendship among current and former students, parents, teachers and friends.
- The Group aspires to set the agenda in terms of developing and promoting excellence in teaching and learning, being at the forefront of global thinking on educational matters, whilst being mindful of its history and heritage.
- The Group will attract, train and retain the best staff in the world, embracing diversity and inclusion, promoting their interests and helping them to develop personally and professionally.

The schools consistently strive for all-round excellence. They recognise that there are many fundamental qualities which are not examinable: curiosity, shrewdness, initiative, leadership, an awareness of beauty, a sense of humour, a sense of responsibility and a gift for friendship, and that these and other basic qualities need to be developed in an institution that regards itself as educational.

The Governing Body consider that the schools provide an environment where each student is encouraged to develop and fulfil his or her potential, thereby inspiring a desire to contribute to the wider community.

Objectives for the Year

The Governing Body set the following aims for the academic year 2023/24:

- to maintain the School's commitment to high academic standards providing teaching in person and remotely;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation, Earle Fund, Lawrence Sheriff and others) to ensure that access to the School is as wide as possible;
- to maintain the standards of pastoral care through the implementation of a pastoral rolling plan;
- to continue to provide and enhance the range of co-curricular activities to fulfil our 'Whole Person Whole Point' ethos;
- to continue to explore opportunities to open overseas schools in partnership with suitable partners;
- to continue to improve the schools' facilities and to protect the historic environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout both schools;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment.

Strategies to achieve Objectives

The schools' strategies for achieving its objectives were to:

- continue to review the academic curriculum to ensure that it is both broad and challenging; at Bilton Grange this means maintaining the traditional Common Entrance syllabus in the core subjects while devising something more innovative in the other subjects;

- continue to subscribe to independently set and assessed tests at age 13 and on entering the sixth form, which produce data which helps evaluate performance in GCSEs, the IB and A levels. Rugby School uses this data to assess value-added performance, against which a summary of outcomes is prepared annually for the Governing Body;
- continue to use academic rolling development plans across the schools and review these annually through department review meetings;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- at Rugby School, continue to use a rigorous Personal Development Review (PDR) process involving the observation of lessons and the close scrutiny of all departments. A Bilton Grange, introduce a new, similar PDR system that focuses on a mentoring approach;
- maintain the House structure, which continues to be one of the defining features of life at Rugby School;
- at Rugby School, provide enhanced CPD and research opportunities (learning awards) for all staff, including learning awards, a Pastoral Leadership Qualification through HMC and lunchtime INSED opportunities;
- at Bilton Grange, also provide enhanced CPD opportunities including new pastoral 'listener' training and a 'mental health first aid' qualification;
- at Rugby School, enhance the process of Levee appointments and enhancing prefect training, including a programme of Graydin coaching;
- increase the number of co-curricular, student-led opportunities and establish a specified student-led enrichment hour in the Scheme of Hours;
- develop further vocational societies;
- provide appropriate high quality educational facilities;
- offer opportunities to day students through the Lawrence Sheriff Foundation awards and bursaries;
- develop the Earle Fund at Bilton Grange as a sister programme to the Arnold Foundation, offering fully-funded boarding places to children in Bilton Grange's Upper School;
- identify suitable candidates for Earle Fund and Arnold Foundation funded places at the schools directly or through links with partner charities and schools in the maintained sector and working with The SpringBoard Bursaries Foundation;
- continue to emphasise the role of the chaplaincy;
- extend the Rugby Schools Group reach by opening a nursery on the Bilton Grange site.

Review of the Year's Achievements and Performance

Principal activities of the year

Rugby School has 13 boarding houses and two day houses for 13–18 year old students. Bilton Grange is a predominantly day school for students aged from 3–13 years old with a boarding house for boys and a boarding house for girls, which take pupils from Year 3. Little Grange Nursery, for those aged from 6 months and up opened in August 2022 on the Bilton Grange site.

The average number of students in Rugby School during the year was 866 (2023: 864). The total number of boarders averaged 653 during the year, which maintained the boarder/day ratio at approximately 76%. The average number of students of Reception age up to sixth form in Bilton Grange was 391 (2023: 383) of whom the average number of full and weekly boarders was 56.

Supporting access to the schools remained a priority for the Governors. In 2023/24, 17.4% of Rugby School's students and 12.5% of the children at Bilton Grange received concessions through Scholarships, Lawrence Sheriff Foundationships and Arnold Foundation schemes. These awards entitle students to financial assistance up to 100% of fees and in some cases extras. All concessions beyond 5% scholarship awards are subject to parental means testing.

During the year, financial support towards the Rugby School fees was provided for 351 students, representing 40.7% of students in Rugby School, including a significant number of students in receipt of a bursary for the full value of the School fees. A further 147 students at Bilton Grange received some form of financial support representing 37.5% of the students in Bilton Grange. We are particularly proud of our continued efforts to build on and develop student mentoring for Arnold Foundation and Earle Fund students as part of our support for them.

The Schools' activities and strategy over the year have continued to support each School's Development Plans. Rugby School has maintained its high academic performance and its position as one of the leading co-educational boarding schools in the UK and the world.

Educational Performance at Rugby School

The exam results for summer 2024 show an improvement in the previous year's results, but also reflect the national trend of a move closer to the pre-Covid average grades:

				National Average	
All figures in percent	**2024**	**2023**	**2022**	**2024**	**2023**
A Levels (including IB)					
A*- A (7-6)	**58.2**	56.2	64.2	**27.6**	26.5
A*- B (7-5)	**85.4**	83.5	84.6	**53.6**	52.7
A*- E (7-1) (pass)	**100.0**	100.0	100.0	**97.1**	97.2
GCSE					
A* / 9-8	**55.1**	54.9	65.6	**12.5**	12.0
A*- A / 9-7	**74.6**	75.5	83.0	**22.6**	21.6
A*- B / 9-6	**88.5**	88.9	92.9	**37.1**	35.6
A*- C / 9-4 (pass)	**98.7**	98.4	99.6	**70.4**	67.8

As previously noted, both schools aim to offer far more than a strong academic performance. The Governing Body and staff place particular importance on robust and effective systems and processes for the pastoral care, support and guidance of our students. However, the academic performance remains a priority and some of the principal achievements of the schools were:

- Excellent A Level and IB Diploma results meant that admittance to universities remained strong, with almost all students progressing to university directly or following a gap year;
- The School enjoyed outstanding results in academic competitions, including Mathematics and Science Olympiads;

- For the second time students at Rugby School were awarded the International Baccalaureate Diploma. They achieved excellent results with strong successful take ups from universities and the number of students taking the exams is growing in 24/25.

Co-curricular highlights of the year at Rugby School

The School's Whole Person, Whole Point ethos means that co-curricular activities remain firmly at the heart of the school's educational programme.

Sport

The highlight of our sporting success last year saw our U15 netballers crowned national champions, and our U15 and U17 girls' cricket teams reached national finals in both the T20 and hundred ball competitions. We entered two girls' teams into the Rosslyn Park Sevens competition, and the sport of rugby is seeing increased take-up from girls within the School. Boys' Hockey had a successful year reaching the quarter finals of the Tier 1 competition (losing to the eventual winners), with our girls' XI finishing 5th in the Tier 1 league in their first year of entry.

We saw considerable success across tennis fixtures, and rackets now has a healthy number of students playing on a weekly basis. We are very likely to have our first Foster Cup entry in a long time, as we currently have a student seeded 12th in the country. We last won this competition in 1994, and it is the premier rackets competition on a national level for the top 16 U18 seeds.

Plans are underway for a sports tour to South Africa in the summer of 2025, and there is also an U15 netball tour to Barcelona, and an E Block & F Block cricket tour to Dubai and tennis tour to Portugal planned in the coming academic year. The sports tour to South Africa will include Boys' hockey for the first time, as we ensure that all core sports get access to good quality tours.

Ex-pupils Maia Bouchier and Jacob Bethell have had an excellent end to the summer, with Maia scoring her maiden century for England and Jacob making his international debut for England in T20 and white-ball cricket against Australia in September 2024.

The number of pupils on academy pathways has again increased. With the newly formed Birmingham Panthers professional netball team now in the area, this has provided developmental pathways for our students, with many already part of their PDP programmes. The U17 academy now train on site improving our partnership work. Many of our rugby players who were part of the Central Warriors academy (formerly Wasps), have now been picked up by Tigers or Saints. One current student has just signed a professional contract with Warwickshire, as part of the re-structuring of women's cricket. We also have an F Block student in the academy set-up for Leicester City, and some excellent horse-riders in the school with one recently qualifying for the Horse of The Year Show.

Rugby 360

It is a testament to the ongoing importance of service that we now have over 500 pupils engaged in the Rugby 360 service programme for 90 minutes each week. We have a thriving afterschool clubs programme, which supported over 700 local primary school children each week in the 23-24 academic year. In addition to this, we welcomed 750 students on site for Service Day in July, and on a weekly basis we work in 25 different local primary schools.

On an increasing basis, we have schools approaching us to work with them to support in gaps with numeracy, literacy, IT literacy and foreign language acquisition. Through the generosity of students, families and staff in the Rugbeian Community, we donated over 3.5 tonnes of food to the foodbank last year, and had students supporting in 18 different charity shops across both the Rugby and Lutterworth town centres.

Rugby School became a 'champion school' as part of the Schools Partnerships Alliance in the 2023-24 academic year. Rugby also achieved 'green flag' status for the first time in its history – an initiative from the sustainability levée as part of Rugby 360.

CCF

CCF has returned to sectional training, and we ran our first overnight field camp for the whole contingent since Covid. We recently finished 12th in the Sir Steuart Pringle Trophy at the Commando Training Centre in Lympstone, coming in second place in two stances. We aim to encourage our students in adventurous activities and we have run cycling expeditions and hillwalking trips to Snowdonia, and Half Termly range days at Bramcote barracks have been re-introduced. We have field gun and first aid competitions on the horizon, and the contingent is on an upward trajectory.

Music

We currently have 67 Music Scholars in the School. Nine of them achieved music diplomas in Trinity (seven with distinction) and three had offers to study Music at Oxbridge. In addition, the impressive list of national and international musical achievements spans choral, instrumental and composing. A recently ex-Rugby student is currently the BBC Young Chorister of the Year; another student plays for the National Youth Brass Band of Great Britain; and a third student took the public vote to win a major French opera competition. An Arnold Foundation student is being mentored by world-renowned composer Hans Zimmer. Yet another student has played the piano to sold out audiences across Europe.

The Rugby Chorister Programme is thriving at Bilton Grange, with 34 students on the programme being supported by pupils and staff from Rugby School. We have also enjoyed a growing number of successful collaborations with cathedral and college choirs in Oxford and Cambridge. The programme has provided opportunities for Rugby's choir to learn to lead younger people and organ playing students to gain real life experience of playing alongside worshipers and choirs.

The annual rock and pop night was a great success, with the winning band headlining at the Festival on The Close as a warm-up act for Adele (tribute). The most recent Blue Note society saw 300 sign-ups, which is a testament to the student feeling towards music in the school. Meanwhile the annual House Singing competition was a roaring success with Cotton and Rupert Brooke winning.

We enjoyed over 25 ensembles working together on a weekly basis, and it was good to see these come together in the large ensembles concert towards the end of Trinity.

Performing Arts

Rugby School was named as a finalist in the Independent Schools of the Year Awards for Performing Arts, reflecting the quality and breadth of our provision. Rugby's Performing Arts department starred our Macready Theatre Young Actors' Company which had sell-out performances at the Edinburgh Fringe, receiving 4* and 5* reviews, from 'Broadway Baby' and 'What's On Stage'. Two Performing Arts Scholars became Rugby's first to achieve distinctions in the Performing Arts ATCL Diploma, and a further student was also awarded the Kristi Award at the Kristin Chenoweth's Broadway Bootcamp. Students in the newly created Macready Dance Company are flourishing bringing their creativity to our theatre performances; and in this year's highlight, they collaborated with the Kings International Ballet Academy in a sell-out performance of Carmina Burana, sung by Rugby School's Choral Society.

The Festival on The Close lit up Rugby town with its range of offerings in aid of Cancer Research UK. The community enjoyed collaborations with both Stomp and Flawless as part of the effort to develop more inclusive dance offerings. There was a comedy night, and strong ticket sales were seen for the Symphonic Ibiza event. Meanwhile workshops were offered on both Tuesday and Wednesday with these also offered to local secondary aged state school students.

The school musical was an outstanding centre piece of the year. 'Into the Woods' played to sell-out audiences in the Macready Theatre, and had a student cast (including tech, backstage, and ensemble) of over 60.

Duke of Edinburgh

The programme is thriving, with over 80 students signed up for Gold and 160 for Bronze. With Silver yet to be launched, this will be the largest cohort of D of E expeditioners in Rugby School history. We recently had over 25 students invited to a single event at Buckingham Palace to receive their Gold Award. In the past academic year, we saw 54 students complete their Bronze Award, 24 complete Silver, and 29 complete Gold (inc. OR's).

Levée

We have restructured the co-curricular levée to give the individual roles within it greater clarity. We now have 6 students who oversee one core area of life at Rugby: Sport, Music, Performing Arts, Charities, Sustainability and CCF. These are led by one student who has oversight of the whole group and is an individual that is deeply immersed in our provision. This has enhanced the efficacy of the group in creating a more strategic and driven leadership group.

Highlights of the year at Bilton Grange

2023-24 was the 150th anniversary for the school and a series of celebrations took place across the academic year. These included special concerts, productions, chapel services, sporting events, a celebratory summer ball and a closing ceremony which included the creation of a time capsule (to be opened in 2073).

Students from Bilton Grange won an impressive 37 scholarships at 13+ (academic, D&T, computing, drama, music, performing arts and sport) with 32 accepted. In addition, four scholarships (academic and sport) were awarded at 11+.

Whilst 66% of the leaving cohort moved on to Rugby, there were twelve other public school destinations to which Biltonians departed. Of the leavers heading to Rugby, 40% were moving as boarders.

Academically, Bilton Grange is performing well with seven academic scholarships offered by senior schools. The Common Entrance results for the leaving cohort were the strongest they had been for many years. Twelve pupils took the additional Maths paper at CE and 75% secured an A* or A. Two Bilton Grange students received an award from their senior school for achieving the highest mark in their CE papers for a particular subject (Biology and Chemistry papers) and one boy received an award for being the top CE candidate from any school based on his results.

Bilton Grange was delighted to see its Pre-Prep short-listed for the 'Pre-Prep of the Year' category in the Independent School of the Year Awards 2024; this was the second year running for this particular accolade. Meanwhile the School's Early Years team won the Muddy Stilettos award for 'Most Creative Learning Through Play'.

Twelve children competed in the London Round of the Scholar's World Cup against forty other schools. One pupil finished 2nd overall and all twelve qualified for the round in Azerbaijan - although no-one was actually able to travel there.

Meanwhile BG's U11 teams made it through to the finals of Science and Maths National Quiz Competitions held at Oxford University.

The school achieved the NCCE Computing Quality Mark (CQM), which recognises the excellent computing education provision at Bilton Grange. It also achieved Green Flag Status for the second successive year due to its environmental efforts. Bilton Grange was shortlisted in the spring edition of The Week's top schools for its outdoor education.

A full range of sport, music and dramatic opportunities was again in evidence at Bilton Grange.

In the area of Performing Arts, each year group had the chance to perform and all productions carried a Victorian theme as a nod to the School's 150th birthday celebrations. The Upper School production of Oliver! was widely regarded as exceptional, while the Middle School productions of Victorian Villainy and Bah Humbug! were tremendous fun and high quality. Three pupils were awarded a Drama scholarship to their senior school and the LAMDA results were outstanding.

Music is also thriving at Bilton Grange. Concerts were staged throughout the year ranging from soloist evenings to large scale ensemble concerts and jazz soirees. Large numbers of children performed. Nine of the scholarships offered by senior schools were for music and the ABRSM and Trinity exam results were excellent.

The choristers programme enjoyed its second year with 38 children from year 4-8 attending vocal training and singing in public Evensong services over four days each week. The programme continued to achieve national renown and the choristers performed publicly on several occasions, including at Merton College Oxford as well as alongside the Rugby Singers and the King's Ballet in a memorable performance of Carmina Burana.

The sporting programme was full with a strong showing in the major team sports. The U13 Boys were a particularly strong year group, with the A Team losing just one rugby match and remaining unbeaten through the regular hockey season. The hockey squad also won their IAPS regional qualifier and finished 9th overall at the national finals. The U13 Girls netball A Team also went unbeaten in their season. Significant successes were achieved with national medals won by BG pupils in swimming and athletics while a number of boys and girls gained county / regional selection in rugby, hockey, netball and cricket.

One BG pupil was crowned the IAME Euroseries Karting Champion 2023 and was on course to repeat this feat in 2024. In July, cricket and netball teams enjoyed a very successful tour of Barbados. Golf developed considerably through the year with BG hosting its first matches for some years. Twelve of the scholarships offered by senior schools were for sport.

Following continued DEI training, the staff DEI committee was established which has helped to enhance the working culture within the school for both staff and pupils.

Significant funds were raised by BG pupils for charities across the year including Children in Need, The Hoskyn Centre, the Rugby Foodbank, Comic Relief, Myton Hospice, the Precious Touch Foundation, the Motor Neurone Disease Association and Jeans for Genes.

There were also 122 pledges from members of the BG community which, alongside Rugby School, helped to raise over £105,000 for the Arnold Foundation and Earle Fund which provide boarding bursaries. In 2023/24 there were three children who benefited from a fully funded boarding place at BG thanks to the Earle Fund.

The Bilton Grange Challenge was launched in 2023/24 as a scheme to develop both a sense of service and personal development among the children in the Upper School. The first medals were awarded at Prize Giving with seven gold medals, four silver and twenty bronzes.

International Partnerships

The School continues to focus on working with schools internationally as part of the Rugby School Global network and the school is developing partnerships in a number of countries. At the close of its seventh year of operation, pupil numbers at Rugby School Thailand were over 1,000 for the year ended 30 June 2024. Rugby School Japan opened in Kashiwa-no-ha in Chiba Prefecture on 4 September 2023. Further schools are expected to be announced in 2024-25.

Little Grange Nursery

Little Grange Nursery opened on 1 August 2022 so the year ended 30 June 2024 was its second year of operation. Occupancy rates maintained the strong momentum of its first year and the provision has continued to garner very positive responses from parents.

Plans for Future Years

The Governing Body continues to pursue the School's general objectives as set out earlier. The Governing Body has also set the following aims for the academic year 2024/25:

- to maintain the School's commitment to high academic standards;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to develop the provision at Bilton Grange Preparatory School as a core part of the Rugby Group of Schools;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation and Lawrence Sheriff) to ensure that access to the School is as wide as possible;
- to develop a plan for outstanding and forward thinking emotional and physical health and well-being vision for 2024;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to develop and strengthen the 'Whole Person Whole Point' brand using positive and inspiring examples to illustrate our ethos in action;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to provide outstanding facilities that are safe, secure and inspirational places to live and work in;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment;
- to continue to explore opportunities for on-line education, both commercially and for internal use.

Strategic development plans are presented to and reviewed by the Governing Body at least annually.

Public Benefit Objectives

In setting the School's objectives and planning its activities the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Widening access to the School

The Governing Body is conscious that the schools must remain accessible to talented children, irrespective of parental means. This was the main driving force for the launch of the Arnold Foundation for Rugby School in late 2002, which has expanded to offer places at Bilton Grange under the Earle Fund. As of September 2024, 185 students and former students had benefited from support provided by the Foundation since 2004. The Governing Body thanks all the donors who have contributed over the year and is delighted that there were 28 Arnold Foundation students and 3 Earle Fund students at the schools during 2023/24. Two of the new Arnold Foundation students had started as Earle Fund students. In September 2024 the number of students in the schools who are funded by the Arnold Foundation is 27 at Rugby School and a further 4 at Bilton Grange.

Long before the launch of the Arnold Foundation for Rugby School, the School funded from its endowed and restricted funds a large number of scholarships, bursaries and concessions.

The Governing Body is determined to ensure that these are directed to cases of greatest need; therefore scholarship and foundation scholarship awards are initially for a maximum of 5% of fees, such scholarships being, however, augmentable (up to 100% if necessary) based upon an assessment of parental means.

Bursaries policy

The School's policy is to award scholarships on the basis of an individual's educational potential. The School provides bursaries and augmentations, up to 100% of fees subject to means-tested assessments, to those students whose education may be at risk due to financial hardship or to make places available for deserving students from families who might otherwise not be able to afford school fees.

The total cost of scholarships, bursaries and augmentations during the year was £6.8 million (2023: £5.5 million) for the School. Approximately 40% of students receive some form of support. Awards entitle students to financial assistance up to 100% of fees and extras, subject to parental means tests.

Contribution to local schools

One fifth of the annual net income from the London Estate totalling £0.63 million (2023: £0.70 million) was paid to our neighbour, Lawrence Sheriff School, which operates in the maintained sector.

Community partnerships and services

The School aims to be a good neighbour in its local community and to develop mutually beneficial partnerships wherever possible.

Such initiatives have included those detailed above in the Review of the Year's Achievements and Performance as well as:

- members of staff contributed their time voluntarily to a number of charitable causes such as assisting in the running of the Bradby Club, the Rugby Portobello Trust, and the Lawrence Sheriff Alms-houses as well as acting as governors of a number of maintained schools;
- the School opened its sports and other facilities to many local individuals and organisations (including other schools) charging rates below those applying to commercial businesses, sometimes providing facilities free of charge;
- both Rugby School and Bilton Grange's facilities are provided free of charge for a number of charitable fund-raising activities including school sports days, concerts, plays, art exhibitions local sporting organisations; and
- numerous local choirs and orchestras have held rehearsals and concerts in a number of School venues during the course of the year and the School has also hosted several events involving local schools.

Fundraising

Members of the School's Rugbeian Community Office and Development Team organise fundraising activities and events and co-ordinate philanthropic support and involvement for the Arnold Foundation, Earle Fund and the schools. No entities within the Group use fundraising consultants or involve commercial participators. The School is registered with the Fundraising Regulator and operates according to the Code of Fundraising Practice. All direct fundraising marketing is undertaken by the fundraising team within the Rugbeian Community Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2024

Group Structure

The School's consolidated report and financial statements include the activities and results of its wholly-owned subsidiaries: Rugby School Enterprises Limited, Rugby School International Limited, Little Grange Nursery Limited and Rugby School Projects Limited and also of three associated charities: the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund. The trustees and directors of these associated charities and companies are all appointed by the Governing Body of Rugby School.

Rugby School Enterprises Limited
The principal aim of this trading subsidiary is to generate income from the use of the School's facilities when not required for their principal educational purpose, and particularly during holiday periods. The company operates language and other courses, operates the School shop and also runs a sports centre which is open to the public when not being used by the School. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Rugby School International Limited
The principal activity of the company is the provision of support to third parties to establish new premium international schools associated with Rugby School, in relation to using the School's trademarks and know-how. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Little Grange Nursery Limited
The principal activity of the company is the commercial provision of a nursery for children aged 6 months to 5 years and it received its Ofsted Registration in the Summer of 2022 before opening at Bilton Grange in August 2022.

Rugby School Projects Limited
This subsidiary company supplies design and build services and in March 2019 completed the construction of a new boarding house for the School. The entity is planned to be active during the planned construction of a new boarding house at Bilton Grange over the coming years.

The Arnold Foundation for Rugby School
The Arnold Foundation for Rugby School (the Arnold Foundation), an associated company that is also a registered charity, number 1095856, has the principal aim of raising funds for more bursary awards, widening access to the School, so that more YOUNG people may benefit from a boarding school education at Rugby, irrespective of their parents' ability to pay the fees.

The Rugby School General Charitable Trust
Prior to the 2002 incorporation of the Arnold Foundation for Rugby School, this trust (also an associated entity) was principally engaged in raising funds from supporters of the School, usually to assist with named capital projects. From 2002, activity in this Trust has been limited to the receipt of income from covenants and legacies that were established before the Foundation's existence and for fund-raising activities not conducted through the Arnold Foundation.

The Rugby School Combined War Memorial Fund
Originally established in honour of those members of the Rugby School family who fell in the two World Wars, this trust (an associated entity) uses its investment income to fund scholarships or bursaries awarded to the children of Rugbeians who meet the criteria for financial assistance to attend or remain at Rugby School.

The Trustees have expanded the Fund's objects by way of a Charity Commission Scheme in order to allow it to also support the children of those working in the emergency services and the NHS.

Financial Review

The School endeavours to ensure financial stability and continuing solvency year on year so that it can pursue its educational aims and objectives. Rugby School's management continues to recognise the importance of strong cost control, seeking to contain cost increases as much as possible while ensuring that the School continues to deliver first class education and pastoral care.

The School's charitable activities continue to be the main source of the Charity's consolidated income and expenditure.

The School's operations for the year ended 30 June 2024 resulted in net outgoing funds from operations of £4.78 million (2023: a net outgoing figure of £2.16 million), after charging £5.05 million (2023: £4.37 million) for depreciation on the School's property and equipment, but before pension revaluation adjustments under FRS 102.

The consolidated net incoming resources for the year, were heavily affected by a revaluation of the London Estate and revaluations in the value of the School's financial investments and stood at £3.0 million (2023: net outgoing resources of £12.2 million) which, in addition to the School's operating surplus, included:

- the Arnold Foundation for Rugby School received gifts and legacies of £0.84 million during the year;
- a net transfer of £2.45 million from the London Estate, after the payment of the one-fifth share to Lawrence Sheriff School;
- £6.8 million (representing 15.1% of gross fees) was used to fund scholarship and bursary awards. Assistance towards payment of the fees by way of scholarships and bursaries was provided to a total of 416 students across Rugby School and Bilton Grange.

Including the year-end revaluation on investments, which are substantially either restricted or endowment related, and the pension scheme actuarial revaluation, there was a net increase in the Charity's funds for the year of £3.0 million (2023: a net decrease £12.2 million) as the property investments in the London Estate saw a significant decrease in value as a result of the significant changes in discount rates applied due to the rapid increases in interest rates.

Balance Sheet

The movement of funds for the year generated total consolidated funds of £226.3 million standing to the credit of the School as at 30 June 2024. The underlying assets and liabilities are set out in the Balance Sheet and further analysed in the notes which accompany the financial statements.

Funds

The results of School operations (fees and related income less expenditure to administer, maintain and develop the School) are identified separately within the body of the financial statements. The use of net funds generated by this activity is unrestricted.

Endowed funds are predominantly represented by the London Estate, consisting principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial, retail and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four-fifths which remain, the primary use is to fund foundations, scholarships and bursaries. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Restricted funds can only be used for specified purposes and, accordingly, the School accounts separately for such assets, and for the income and expenditure related to them. The Consolidated Statement of Financial Activities further analyses these restricted funds as Special funds, consisting principally of fixed interest bearing securities and holdings in investment trusts and equities, many of which arose originally from bequests for specific purposes, such as scholarships, bursaries and prizes. The annual net income from such funds is used exclusively for the specified purposes, with any unallocated amounts being carried forward for the specific purposes in future years.

Other restricted funds consist primarily of gifts and legacies received through the Arnold Foundation for Rugby School, but also through the General Charitable Trust and the War Memorial Fund (see above). Gifts from the General Charitable Trust are utilised in the period. The carried forward balance of other items on the Statement of Financial Activities relates to the Arnold Foundation for Rugby School and the War Memorial Fund (see note 21).

Reserves Policy

The Governing Body has moved to an EBITDA based objective. The School does not expect to borrow money to cover operational requirements other than to cover short-term timing issues. The School has issued a £35 million private placement in order to fund various capital expenditure programmes in view for the coming five years.

It is the intention of the Governing Body that, on a continuing basis, the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities. In those years where there are free reserves, the School may consider advancing the capital expenditure programme or designating funds for an identified programme of capital maintenance and investment.

In other years where the School may have negative free reserves, the School aims to manage the day to day working capital requirements through careful management of short term liquid resources.

The policy on the unrestricted reserves ensures that a proportion is allocated as designated funds, established in respect of:

- Fixed assets fund – the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities.
- Building maintenance fund – used when the School sets aside additional monies towards the costs of maintaining the School's facilities as part of its development plans.
- Rugby School Enterprises fund – the funds gifted to the School by the trading subsidiary are to be utilised on projects determined by the Governing Body which benefit a significant proportion of the School's community. During the current year this encompassed the provision of additional scholarships.
- Bilton Grange fund – this fund related to investments transferred to the Charity under the charitable merger in January 2020. The investments had been designated for usage in the construction of the new boarding house at Bilton Grange. The disposal of the assets was completed in the 2023/24.
- Bloxam Fund – The funds originated from a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books which were designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community.

The financial statements indicate that the School's unrestricted funds of £70 million (see note 22) are invested in premises and equipment with free reserves at a deficit of £17.9 million before any pension provision. Given the financial strength of the School, in particular the endowment investments, the Governing Body is satisfied that this is adequate.

The Governing Body prepares a detailed long-term plan having regard to the School's financial and physical resources, so that at all times the School retains the strength and flexibility to respond to contingencies and to longer term needs that may not be currently foreseen. Accordingly, the Governing Body consider that the School and the group have adequate resources and flexibility for the foreseeable future and consequently the adoption of the going concern basis is appropriate in preparing the financial statements. The reserves policy is monitored by the Finance & Audit Committee and is reviewed annually.

Fundraising Performance
The Arnold Foundation received £0.8 million of donations and legacies in the year. These funds will be applied for the specific aim of providing means-tested bursary awards to those students whose parents would not otherwise be able to afford an education at Rugby School.

Investment Performance
In relation to its financial investments, the Governing Body aims to optimise the returns generated by the investments such that, over the long term, the capital values are, at the least, maintained when adjusted for inflation.

This objective will be achieved if the investments exceed CPI+3% per annum on a rolling 5 year period, provided the total return targets are also met. These returns are being comfortably exceeded with the 5-year CAGR of 10.0% exceeding the 5 Year CAGR of CPI+3% (7.3%).

There are no specific restrictions other than that the investments should be suitable for trusts. The School's investment performance is monitored regularly against objectives by the Investment Committee.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2024

Governance and Management

Charity Governance Code

The Governing Body understands that effective governance is critical in running the charity and uses the Charity Governance Code as an important tool in assisting with the continuous review of governance of the Charity.

Governing Body

The School is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922.

Appointments, Recruitment and Training of Governors

Under the statutes, there is one nominated Governor and other members are appointed by the Governing Body itself. The Governors and principal officers are named on page 3 and 4 of this report.

Where the Governing Body itself co-opts a new member, this follows a selection process and a recommendation from its Nominations Committee. Governors are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Governors visit the school for induction, receive key information relating to the charity and sign an appointment letter. All Governors are encouraged to attend the annual strategic planning meeting which often incorporates trustee-training issues.

The Governing Body's voluntary code on retirements provides that, with the exception of the Lord Lieutenant and the Chairman and Deputy Chairman, members of the Governing Body do not normally serve more than ten years, unless, in exceptional circumstances, the Governing Body determines otherwise.

Governance

The Governing Body is responsible for the overall management and control of the School and meets at least once a term. Its principal responsibilities are to:

- ensure that the School is run in accordance with its charitable objectives and that all the functions of the School are authorised by the powers provided by its statutes and regulations and by charity law;
- act in the best interests of the School and current and future beneficiaries at all times;
- appoint the Head Master of Rugby School, the Head of Bilton Grange, the CEO of Rugby School Global and, after consultation with the Head Master, the Chief Operating Officer, the Deputy Head(s) and the Assistant Head(s) and approve their terms and conditions;
- in consultation with the Head Master and his management team, set the strategy and policies by which the School will be run;
- approve the Development Plan;
- ensure that the School meets the objectives that the Governing Body sets from time to time;

- control finance by approving realistic budgets and longer-term plans and by approving systems and safeguards that optimise the chances that they will be achieved;
- ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- understand the extent of duties in relation to risk management and to legal compliance and be satisfied that there is a rolling programme for meeting them;
- ensure that competent professional advice is taken when necessary;
- appoint a Chairman and one or more Deputy Chairs;
- appoint members to its committees; and
- review and approve the terms of reference and the output of these committees.

Organisational Management

Governing Body Committees

The Governing Body has appointed the following committees of its members to oversee the activities set out below. Membership is supplemented by the attendance of some of the principal officers of the School and by others with appropriate specialist knowledge. All these committees report regularly to the Governing Body and their terms of reference are reviewed annually.

- RS Education Committee: Review of education broadly, academic policies and performance.
- BG Education Committee: Review of education broadly, academic policies and performance.
- Fundraising Committee: Advise and support the trustees of the Arnold Foundation and the Governing Body in raising funds for the Arnold Foundation and Capital Projects.
- Student Welfare Committee: care for the safeguarding, wellbeing and pastoral needs of the student body.
- Risk, Compliance and Safeguarding Committee: Legislation and inspection compliance, risk management.
- Finance, Audit and Estates Committee: Financial policy and general operations relating to the running of the School. The audit sub-committee addresses financial reporting, systems and controls.
- International Development Committee: Formulation of the strategy for Rugby School's international development, international school partnerships and recommendation of international projects.
- Investment Committee: Management and administration of Special Funds and all other non-property investments. The Governing Body have agreed that the School's investment portfolio be managed on a discretionary basis by its Investment Managers subject to policies and objectives that the Governing Body establishes from time to time having regard to the Investment Committee's recommendations.
- Nominations Committee: Review of Governing Body membership, including recommendations of individuals who might be co-opted to the Governing Body.

Membership of these committees is shown on pages 3 and 4.

Key Management Personnel

The Governing Body delegates the daily management of Rugby School to the Head Master of Rugby School and of Bilton Grange to the Head of Bilton Grange and of international school projects and partnerships to the CEO RS Global. The Chief Operating Officer reports to the Head Master of Rugby School and is also the Clerk to the Governing Body. They are aided by other Key Management Personnel as detailed below.

Remuneration of the Key Management Personnel is set by the Nominations Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contributions to the School's success.

The Executive Leadership Group comprises the Head Master of Rugby School, the Head of Bilton Grange, the CEO of Rugby School Global, the Chief Operating Officer, the Deputy Head of Rugby School, the Development Director, the Estates Director, the Finance Director, the HR Director and the Rugbeian Community Director.

The Leadership Group of the Charity comprised the SMTs of the schools together with the Operations and Administration Management Group and any other members of the Executive Leadership Group.

Changes to Organisational Management in 2023-24

After a decade in role, Peter Green, the Executive Head Master, retired from 1st January 2024. With his departure, the senior leadership of the group changed to that indicated above. The core executive group comprise the Head Master of Rugby School, the Head of Bilton Grange, the CEO of Rugby School Global and the Chief Operating Officer.

Support

The School and the Governing Body greatly appreciate the important and valuable support given to the School in so many ways by Rugbeians and many other friends of the School. Above all, the Governing Body remains deeply grateful to the entire staff, both teaching and operational and administrative, whose unstinting hard work and loyalty has enabled the School to achieve its major objectives.

Principal Risk and Risk Management

The Governing Body conducts annually a review of risk assessments undertaken by the School's management to identify the major risks to which the School (and the subsidiary and associated entities covered by this report) is exposed, and the systems for their mitigation. The Governing Body's Risk, Compliance and Safeguarding Committee reviews the School's Risk Management Report termly.

The Governing Body considers the principal risks faced by the School to be:

- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- the ability to address the economic environment and cost-of-living challenges;

- an inappropriate mix of students or unfilled student places;
- the risks associated with the implementation of VAT to educational fees;

In the opinion of the Governing Body, the School (and the subsidiary and associated entities) has established resources and review systems which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Governing Body responsibilities in respect of the Annual Report and the Financial Statements

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Auditors

Crowe UK LLP has indicated its willingness to be re-appointed as statutory auditors.

Approval

This report and the accompanying financial statements were approved by the Governing Body on 25 February 2025.

N Bacon
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL

Opinion

We have audited the financial statements of Rugby School for the year ended 30 June 2024 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 June 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, 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 the parent 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 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 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe UK LLP
Statutory Auditor
Cheltenham

Date: 11 March 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2024

	Funds:	Unrestricted	Endowed	Restricted	2024	Unrestricted	Endowed	Restricted	2023
	Notes	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:									
Charitable Activities									
School fees receivable	2	41,494	-	-	**41,494**	38,276	-	-	38,276
Ancillary trading income	4	2,148	-	-	**2,148**	2,525	-	-	2,525
Other Trading Activities									
Trading income (non-ancillary)	5	3,803	-	-	**3,803**	2,994	-	-	2,994
Investments									
Investment income	6	461	192	5,521	**6,174**	465	194	5,692	6,351
Voluntary Sources									
Donations and legacies		3	83	777	**863**	1	258	582	841
Other		1	-	112	**113**	13	-	-	13
Total Income		47,910	275	6,410	**54,595**	44,274	452	6,274	51,000
EXPENDITURE ON:									
Raising Funds									
Trading	7	1,593	-	-	**1,593**	1,139	-	-	1,139
Financing costs		1,134	-	-	**1,134**	1,022	-	1	1,023
Investment management costs		14	102	2,771	**2,887**	28	94	2,024	2,146
Fund-raising and development		-	-	422	**422**	-	-	442	442
Total cost of fundraising		2,741	102	3,193	**6,036**	2,189	94	2,467	4,750
Charitable Activities									
School operations		47,952	-	-	**47,952**	43,509	-	11	43,520
Scholarships, bursaries and prizes	3	-	549	4,210	**4,759**	-	306	3,878	4,184
Payment to Lawrence Sheriff School	9	-	-	630	**630**	-	-	705	705
Costs of Charitable Activities		47,952	549	4,840	**53,341**	43,509	306	4,594	48,409
Total Expenditure	7	50,693	651	8,033	**59,377**	45,698	400	7,061	53,159
Net (Expenditure)/Income		(2,783)	(376)	(1,623)	**(4,782)**	(1,424)	52	(787)	(2,159)
Net gains/(losses) on investments	13	2,250	(386)	5,361	**7,225**	1,386	(13,877)	2,322	(10,169)
Net Income		(533)	(762)	3,738	**2,443**	(38)	(13,825)	1,535	(12,328)
Transfer between funds	20,21, 22	17	-	(17)	**-**	10	-	(10)	-
Release of Repairs Fund	21	-	-	-	**-**	-	-	(120)	(120)
Actuarial (loss)/gain on defined benefit pension scheme	18	555	-	-	**555**	222	-	-	222
NET MOVEMENT IN FUNDS		39	(762)	3,721	**2,998**	193	(13,825)	1,406	(12,226)
Reconciliation of Funds									
Balances brought forward at 1 July		**69,257**	**130,927**	**23,163**	**223,347**	69,064	144,752	21,757	235,573
BALANCES CARRIED FORWARD at 30 June		**69,296**	**130,165**	**26,884**	**226,345**	69,257	130,927	23,163	223,347

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
BALANCE SHEETS
AS AT 30 JUNE 2024

	Notes	Parent Charity 2024 £'000	Parent Charity 2023 £'000	Consolidated 2024 £'000	Consolidated 2023 £'000
FIXED ASSETS					
Freehold properties, fixtures & equipment	12	**74,263**	63,071	74,263	63,071
Investments	13	**140,490**	139,995	168,667	161,775
		214,753	203,066	**242,930**	224,845
CURRENT ASSETS					
Stock		**19**	10	112	110
Debtors	14	**7,977**	5,699	5,896	6,061
Investments – deposits		**23,065**	29,183	23,336	29,428
Bank and cash		**8,422**	11,351	8,904	11,542
		39,483	46,243	**38,248**	47,141
CURRENT LIABILITIES					
Creditors due within one year	15	**(11,973)**	(9,271)	(13,334)	(9,659)
NET CURRENT ASSETS		**27,510**	36,972	**24,914**	37,482
TOTAL ASSETS LESS CURRENT LIABILITIES		**242,263**	240,038	**267,844**	262,327
CREDITORS due after more than one year	16	**(41,828)**	(38,810)	(41,883)	(38,867)
NET ASSETS EXCLUDING PENSION LIABILITY		**200,435**	201,228	**225,961**	223,460
PROVISIONS					
Defined benefit pension scheme liability	18	**384**	(113)	**384**	(113)
NET ASSETS INCLUDING PENSION LIABILITY	19	**200,819**	201,115	**226,345**	223,347
FUNDS OF THE CHARITY:					
Endowment funds	20	**114,473**	117,719	**130,165**	130,927
Restricted funds	21	**16,842**	14,139	**26,884**	23,163
Unrestricted funds:					
Unrestricted income funds		**69,120**	69,370	**68,912**	69,370
Pension reserve		**384**	(113)	**384**	(113)
Total unrestricted funds	22	**69,504**	69,257	**69,296**	69,257
TOTAL CHARITY FUNDS		**200,819**	201,115	**226,345**	223,347

The deficit for the financial year in the financial statements of the parent charity was £296,000 (2023: deficit of £14.7 million).

Approved by the Governing Body on 25 February 2025 and signed on their behalf by:

N Bacon – Chairman of Governing Body

D Skailes – Chairman of Audit Committee

D White – Chief Operating Officer

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

	Consolidated	
	2024	2023
	£'000	£'000
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**(4,782)**	(2,158)
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(769)**	(926)
Endowment donations	**(83)**	(258)
Depreciation	**5,055**	4,370
Release of Repairs Fund	**-**	(120)
(Increase)/Decrease in stocks	**(2)**	(32)
(increase)/Decrease in debtors	**165**	1,041
Increase/(Decrease) in creditors	**6,628**	(481)
Increase/(Decrease) in Fees in advance scheme	**63**	(55)
Increase/(Decrease) in pension scheme liability	**58**	32
Net cash provided by operating activities	**6,333**	1,413
Cash flows from investing activities:		
Purchase of fixed assets	**(16,246)**	(8,268)
Purchase of investments	**(32,644)**	(6,908)
Sale of investments	**31,556**	8,903
Investment income and bank interest receivable	**769**	926
Transfer (to)/from short term bank deposits and equivalent	**7,511**	(28,460)
Net cash used in investing activities	**(9,054)**	(33,807)
Cash flows from financing activities:		
New endowments	**83**	258
Net cash provided by financing activities	**83**	258
Change in cash and cash equivalents in the reporting period	**(2,638)**	(32,138)
Cash and cash equivalents at the beginning of the reporting period	**11,542**	43,680
Cash and cash equivalents at the end of the reporting period	**8,904**	11,542
Analysis of cash and cash equivalents:		
Cash at bank	8,904	11,542
	8,904	11,542

The notes on pages 28 to 55 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Rugby School ("the School") is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 registered in England & Wales (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922. The principal address is The Bursary, 10 Little Church Street, Rugby, Warwickshire CV21 3AW.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS102)), Financial Reporting Standard 102 and the Charities Act 2011 and the Rugby School Act 1922. A summary of the principal accounting policies, which have been applied consistently, is set out below.

(a) Basis of Accounting

The charity meets the definition of a public benefit entity.

The Governing Body consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets, including investment properties, are carried at market value at the balance sheet date.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Basis of Consolidation

The consolidated statement of financial activities (SOFA), balance sheet and the consolidated cash flow statement include the financial statements of the School, its subsidiary undertakings and associated entities made up to 30 June 2024. The subsidiary undertakings of Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited are all trading companies. The associated entities are The Arnold Foundation for Rugby School, Rugby School General Charitable Trust and Rugby School War Memorial Fund, all of which are registered charities.

No separate SOFA has been presented for the charity in the financial statements. The balance sheet of the parent charity is represented by the column headed "parent charity" and includes the results of School operations, the London Estate and the Special Funds, all of which are included within the same legal entity.

The separate parent charity's Statement of Financial Activities (SOFA) for the year ended 30 June 2024 shows gross income, excluding gift aid and donations from group entities, of £51.0 million (2023: £47.8 million) and a total deficit of £296,000 (2023: deficit of £14.7 million).

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash-flow statement with the consolidated financial statements.

The consolidation has been carried out on a line-by-line basis.

(c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated net of staff concessions and sibling discounts but include contributions received from Endowed and Restricted funds for scholarships and bursaries.

The provision of scholarships, augmentations and additional financial support is reviewed at least annually.

(d) Advance Fees

The School offers parents the opportunity to pay for up to 7 years fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the student joins the School, whereupon the fees for each term are released to fee income. Amounts received as Advance Fees may be returned to parents subject to specified conditions.

(e) Donations and legacies

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities that are donated be converted to cash as soon as possible. No amounts are included in the financial statements for services generated by volunteers. Donations subject to specific wishes of the donors are retained in relevant restricted funds.

The assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger deed dated the on 6 January 2020. Given the nature of the transaction, the transfer has been reflected in the School's accounts as a donation.

(f) Expenditure

All expenditure is accounted for on an accruals basis as soon as a liability is considered probable and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been apportioned according to time spent.

(g) Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include finance and human resources and are allocated on a basis consistent with the use of the resource.

(h) Governance Costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for Governing Body and costs associated with meeting constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability.

(i) Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

(j) Leased Assets

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is depreciated over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the SOFA in proportion to the remaining balance outstanding.

(k) Finance Costs

These include amounts accrued in accordance with the terms of the Advance Fee contracts.

(l) Currency

The financial statements are prepared in sterling which is the functional currency of the School.

Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

(m) Taxation

As a registered charity, the School is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Although the School is registered for VAT, School fees prior to December 2024 were exempt from VAT. Irrecoverable VAT on costs incurred is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, as appropriate.

(n) Pension Schemes

The School contributes to the Government's Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The pension liability is the responsibility of the Teachers' Pension Scheme. As a result, it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, the Scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff, a defined benefit scheme, and the Rugby School Group Stakeholder Pension Scheme, a defined contribution scheme. The defined benefit scheme is administered by trustees and wholly invested with Baillie Gifford, at rates recommended by the Scheme Actuary. The defined contribution scheme is administered by Aviva.

(o) Tangible Fixed Assets

Expenditure on the acquisition or construction of new buildings, fixtures, fittings and equipment costing over £5,000 is capitalised and carried in the balance sheet at historical cost less depreciation. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on fixtures and equipment incurred in the normal day-to-day running of the School and its subsidiaries, and costing less than £5,000, is charged to the SOFA as incurred.

An impairment review of fixed assets is carried out on a regular basis.

(p) Depreciation

Freehold land is not depreciated.

Depreciation of other assets is normally calculated to write off the cost of the tangible fixed assets, less their estimated residual value, on a straight-line basis over the expected useful economic life of the assets. Some assets in the register have previously had their rates of depreciation adjusted to account for historic under-depreciation. Additions of freehold buildings and refurbishments are depreciated from the beginning of the year following completion.

The principal annual rates over which assets are depreciated are:

New building (incl. chapel organ)	50 years (generally)
Refurbishments	15 - 25 years
All-weather pitches and telecommunications work	15 years
Computer equipment	3 years
Other fixtures, fittings and equipment	5 years

(q) Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Investment properties (which are all held in the London Estate) are valued on an open market value basis. A formal professional valuation is carried out every 5 years and prepared on an informal basis in the intervening period. No depreciation is provided on investment properties.

Income from investments is included, together with the related tax credit, in the year in which it is receivable. Rent receivable from investment property is classified as investment income.

(r) Fund Accounting

Unrestricted funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School and have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governing Body for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. In particular:

- permanent endowment arises where a donor intends the gift to be permanently retained. All income for spending will accrue to the appropriate restricted fund.

- expendable endowment funds are accounted for similarly, except that, if required, the capital may be converted into income for spending.

Investment income and gains are allocated to the appropriate fund.

(s) Total Return Accounting

During the year ended 30 June 2024 Rugby School, under powers granted by section 104A of the Charities Act 2011, adopted a total return approach to the investment of the London Estate Investment (non-property) Portfolio. The powers permit the Trustees to invest these funds to maximise total return and to make available a portion of the total return for expenditure each year. The intention is to receive a return of 3% each, with a minimum UTR of £500,000. Until the Trustees decide to appropriate all of the Total Return, the unappropriated portion of the Total Return shall be 'Unapplied Total Return' and remain part of the endowment.

(t) Stocks

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

(u) Reserve for Repairs, Rehabilitation and Reconstruction

In order to maintain the London Estate properties in good order, and with the authority granted by the Minister of Education, a designated reserve is set aside for repairs, rehabilitation and reconstruction. An appropriate sum is transferred to the reserve from the incoming resources of the London Estate to provide sufficient funds to meet liabilities arising in the foreseeable future.

(v) Key judgements and assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances.

The following areas have been considered:

- Pension liability. The School engages a firm of actuaries to provide expert advice about the assumptions made relating to the discount rate used, changes in retirement ages and mortality rates and the effect on the pension liability of changes in these assumptions.

- Investment property valuation. The School engages a firm of chartered surveyors to provide advice on the assumptions relating to the valuation.

(w) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value. The School and its entities only have financial assets and liabilities of a kind that qualify as basic financial instruments.

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2024	2023
	£000	£000
The School's fee income comprises:		
Gross fees	**45,155**	40,894
Less scholarships/bursaries not funded from Restricted Reserves	**(2,060)**	(1,323)
Less staff, sibling and other concessions	**(1,601)**	(1,295)
School Fees Receivable (SOFA)	**41,494**	38,276
Less scholarships/bursaries/grant/prizes/other awards funded from Restricted Reserves	**(4,760)**	(4,184)
Net Fees	**36,734**	34,092
Add back from Restricted Reserve	**4,760**	4,184
	41,494	38,276

In the figures for the year ended 30 June 2024, we have separated out certain scholarships and bursaries which were supported from Designated and other Unrestricted Funds rather than from Restricted Reserves.

3. CHARITABLE ACTIVITIES - SCHOLARSHIPS, GRANTS, PRIZES AND OTHER AWARDS

The total scholarships, grants, prizes and other awards paid for by Endowed and Restricted Funds comprise:

	2024	2023
	£000	£000
Foundation Scholarships	**120**	123
Scholarships	**1,061**	998
Arnold Foundation awards (means-tested)	**1,463**	1,180
Bursaries (means-tested)	**2,115**	1,880
Contribution to School fees	**4,759**	4,181
Prizes and Exhibitions	**1**	3
	4,760	4,184

The total scholarships, grants, prizes and other awards paid for by Unrestricted Funds comprise:

	2024	2023
	£000	£000
Scholarships	**669**	618
Bursaries (means-tested)	**1,391**	704
Contribution to School fees	**2,060**	1,322
Total scholarships, grants, prizes and other awards	**6,820**	5,506

4. CHARITABLE ACTIVITIES - OTHER INCOME

	2024	2023
	£000	£000
Other educational charitable activities		
Registration fees	**183**	147
Courses	**56**	28
Other including tradesmen discounts and settlement fees	**-**	-
	239	175
Other ancillary activities		
Extra-curricular activities and trips (recharged)	**969**	831
Other including commissions	**-**	-
	969	831
Other trading activities		
School shop, museum, tuckshop and events	**940**	1,519
	2,148	2,525

5. TRADING INCOME AND EXPENDITURE

	2024	2023
	£000	£000
Non-ancillary trading activities-including trading subsidiaries	**3,803**	2,994

Investment in subsidiary companies

The School has three wholly owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited, all are registered in England and Wales. The revenue accounts, cash flow, assets and liabilities are consolidated in these financial statements. Full financial statements are filed with the Registrar of Companies.

Rugby School Enterprises Limited's principal activity is to supply third parties with the School's sports, catering and other facilities when these are not required by the School. The company covenants its taxable profits to the School.

Rugby School International Limited's principal activity is the provision to third parties of support to establish new premium international schools associated with Rugby School, in relation to using the Rugby School trademarks and know-how.

Little Grange Nursery Limited's principal activity is the operation of a nursery.

Rugby School Global Partnerships Limited commenced operation in September 2023. Its principal activity is the provision of educational training and teaching to partner schools in the UK and internationally.

Rugby School Projects Limited's principal activity is the supply of design and build construction projects.

Additionally, the School has three further associated charities - the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund.

Details of the significant subsidiaries and associated entities at 30 June 2024 are:

	Company registration number	Shareholding		Net Assets at 30 June 2024	Turnover (incl inv't income)	Expenditure	Profit in the Year
		%	£	£	£'000	£'000	£'000
RS Enterprises Limited	2264068	100	4	4	1,910,597	1,910,597	0
Rugby School International Limited	10238790	100	1	1	665,040	665,040	0
Rugby School Projects Limited	10742346	100	1	1	5,699,124	5,699,124	0
Rugby School Global Partnerships Limited	15087238	100	1	(206,693)	10,522	217,215	(206,693)
Little Grange Nursery Limited	13879790	100	1	1	1,255,010	1,255,010	0
The Arnold Foundation for Rugby School	4516482	-	-	23,355,842	5,166,584	1,950,835	3,215,749
Rugby School Combined War Memorial Fund	-	-	-	2,378,241	342,185	57,072	285,114

6. INVESTMENT INCOME

	2024	2023
	£000	£000
Rents receivable	**5,405**	5,424
Income on financial investments	**653**	871
Interest receivable on cash portfolio	**116**	56
	6,174	6,351

The rents receivable relates to leasehold property leases on the London Estate (note 13). The future cumulative minimum lease income under non-cancellable operating leases on the London Estate are as follows:

	2024	2023
	£000	£000
Cumulative Leasehold property income:		
Within one year	**5,057**	4,575
Between 1 – 5 years	**11,343**	10,242
Over 5 years	**17,557**	16,563
	33,957	31,380

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Note	Staff costs £000	Other costs £000	Deprec'n £000	**2024 Total £000**	2023 Total £000
Costs of Generating and Managing Funds:						
Trading costs		858	735	-	**1,593**	1,139
Fund-raising costs		354	68	-	**422**	442
Finance costs		-	1,134	-	**1,134**	1,022
Investment management Costs		-	2,888	-	**2,888**	2,146
		1,212	4,825	-	**6,037**	4,749
Charitable Activities						
School operations:						
Teaching		17,321	2,417	973	**20,711**	18,528
Welfare		1,221	5,919	168	**7,308**	6,835
Premises		4,221	5,197	3,913	**13,331**	12,072
Support (including ancillary trading expenditure)		2,716	3,549	-	**6,265**	5,754
Governance		95	240	-	**335**	332
School's operating costs		25,574	17,322	5,054	**47,950**	43,521
Scholarships, bursaries and prizes	3	-	4,760	-	**4,760**	4,184
Payment to Lawrence Sherriff School	9	-	630	-	**630**	705
Total Expenditure		26,786	27,537	5,054	**59,377**	53,159

Support costs are attributable to the charitable activity of the provision of education and include finance, human resources, information technology, marketing, secretarial and legal support.

8. EXPENDITURE

Total resources expended include the following amounts:

	2024 £000	2023 £000
Amounts accrued to advance fees	**23**	9
Governors' travel expenses (6 Governors)	**5**	4
Fees payable to the Charity's auditors for:		
• The audit of the Charity and Group accounts	**81**	68
• Tax and VAT advisory services	**15**	34
• Pensions audit	**1**	1

9. PAYMENT TO LAWRENCE SHERIFF SCHOOL

Under the Rugby School (Transfer) Act 1906, as amended by the Rugby School Act 1922 and an Order of the Secretary of State for Education and Science dated 30 October 1968, an annual sum is payable to Lawrence Sheriff School, consisting of the income from an initial investment of £34,500 (market value at 30 June 2024 of £1,149,329 (2023: £937,932), plus one fifth of the remaining net annual income of the London Estate (before minor adjustments), plus £100. The total amount payable to Lawrence Sheriff School in respect of the 2023/24 financial year was £629,715 (2022: £704,743).

10. STAFF COSTS

Total Staff Costs:	**2024**	2023
	£000	£000
Salaries and wages	**21,495**	19,346
Social security costs	**2,020**	1,831
Pension contributions	**3,128**	2,788
	26,643	23,965
Benefits – health insurance contributions	**143**	96
Salaries and wages	**26,786**	24,061

Staff costs include redundancy and termination costs of £nil (2023: £nil) of which £nil remained outstanding at the year-end.

The average number of staff employed in the year was:

	2024	**2023**
	No.	**No.**
Teaching	**284**	**264**
Operations and Administration	**507**	**496**
Total	**791**	**760**

The School employs a significant number of part-time staff, many of whom are only employed for a few hours each week during term time.

Key Management Personnel

The earnings of the Key Management Personnel are determined by the Nominations Committee and for the year to 30 June 2024 were £1.817 million (2023: £1.906 million) including P11d benefits, employer national insurance and pension contributions.

Key Management Personnel are generally included in the table below and now include Bilton Grange's senior leadership team in full.

10. STAFF COSTS *(continued)*

The number of employees whose emoluments, including P11d benefits but excluding employer national insurance and pension contributions, exceeded £60,000 on an annual basis were:

	2024	2023
	No	No
£60,000 - £69,999	**28**	32
£70,000 - £79,999	**16**	13
£80,000 - £89,999	**9**	4
£90,000 - £99,999	**6**	4
£100,000 - £109,999	**2**	1
£110,000 - £119,999	**-**	1
£120,000 - £129,999	**1**	-
£130,000 - £139,999	**-**	1
£140,000 - £149,999	**2**	-
£150,000 - £159,999	**1**	-
£160,000 - £169,999	**1**	2
£170,000 - £179,999	**-**	-
£180,000 - £189,999	**1**	-
£210,000 - £219,999	**-**	-
£250,000 - £259,999	**-**	-
£260,000 - £270,000	**-**	1

44 of these employees (2023: 42) were members of a defined benefit pension scheme and employees 23 (2023: 15) were members of a defined contribution scheme at a charge of £188,593 for the year.

No Governors or persons connected with them received any remuneration or other benefits from the School or any connected organisation.

11. TAXATION

The School has charitable status and is thus exempt from corporation tax on primary purpose activities.

There is no UK corporation tax charge, in respect of the current or prior years, incurred by the trading subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited, Little Grange Nursery Limited or Rugby School Projects Limited.

12. FREEHOLD LAND & BUILDINGS, FIXTURES AND EQUIPMENT

	Parent Charity and Consolidated			
	Freehold land & buildings	Assets under construction	Fixtures & equipment	Total
COST	£000	£000	£000	**£000**
As at 1 July 2023	107,038	136	7,924	**115,098**
Additions	9,073	6,665	509	**16,247**
Transfers	188	(188)	-	**-**
Disposals	-	-	-	**-**
As at 30 June 2024	**116,299**	**6,613**	**8,433**	**131,345**
DEPRECIATION				
As at 1 July 2023	45,952	-	6,075	**52,027**
Charge for the year	4,285	-	770	**5,055**
Transfers	-	-	-	**-**
Disposals	-	-	-	**-**
As at 30 June 2024	**50,237**	**-**	**6,845**	**57,082**
NET BOOK VALUE				
As at 30 June 2024	**66,062**	**6,613**	**1,588**	**74,263**
As at 30 June 2023	61,086	136	1,849	**63,071**

Fixtures and equipment includes kitchen assets purchased in line with the catering contract.

The net book value of equipment includes £0 relating to assets held under finance leases (2023: £0). A depreciation charge of £0 occurred in the year for finance leases (2023: £0).

In addition to the assets recorded on the balance sheet, the School has a collection of works of art and museum exhibits, which it has acquired over many years, mostly as gifts. A physical inventory of these assets is maintained but since such assets are held for educational purposes and are not for sale, the Governing Body consider that they do not meet the definition of Heritage Assets in the financial statements and the cost of valuation outweighs any benefit gained. In the opinion of the Governing Body the depreciated historical cost of these assets would now be immaterial.

Capital Commitments

Capital commitments in the form of orders approved and authorised, at 30 June 2024 amounted to £1,249,090 (2023: £1,914,403). In addition, in Rugby School Projects, at 30 June 2024 the commitment remaining for the contract with Stepnells relating to the new Boarding House at Bilton Grange amounted to £8,200,996.

13. FIXED ASSET INVESTMENTS

Parent Charity

	London Estate	Bilton Grange	Special Funds	Comp'n of Fees	Total
	£000	£000	£000	£000	£000
Balance at 1 July 2023	104,770	2,981	30,945	1,299	**139,995**
Additions	3,985	-	19,719	(1)	**23,703**
Cash balance movement	(47)	-	(398)	54	**(391)**
Disposals at net proceeds	(3,911)	(3,256)	(17,491)	-	**(24,658)**
Revaluations	(4,103)	275	5,639	28	**1,839**
Balance at 30 June 2024	**100,694**	**-**	**38,414**	**1,380**	**140,488**
Represented by:					
Freehold properties	93,150	-	-	-	**93,150**
Financial investments	6,581	-	37,637	911	**45,129**
Cash deposits	963	-	777	469	**2,209**
	100,694	**-**	**38,414**	**1,380**	**140,488**

Consolidated

	Parent Charity	Arnold Foundation	War Memorial	Total
	£000	£000	£000	£000
Balance at 1 July 2023	139,995	19,697	2,083	**161,775**
Additions	23,703	10,081	177	**33,961**
Cash balance movement	(391)	(832)	(95)	**(1,318)**
Disposals at net proceeds	(24,658)	(6,810)	(89)	**(31,557)**
Revaluations	1,839	3,659	308	**5,806**
Balance at 30 June 2024	**140,488**	**25,795**	**2,384**	**168,667**
Represented by:				
Freehold properties	93,150	-	-	**93,150**
Financial investments	45,129	25,795	2,380	**73,304**
Cash deposits	2,209	-	3	**2,212**
	140,488	**25,795**	**2,383**	**168,667**

The London Estate investments include property professionally valued by Farebrother, Chartered Surveyors as at 30 June 2022. The Governing Body's updated valuation of the property portfolio as at 30 June 2024 was obtained in consultation with Farebrother and reflects the changes in the market conditions.

The London Estate investments includes £93.2 million property and £6.6 million in its managed equity portfolio.

13. FIXED ASSET INVESTMENTS *(continued)*

To fulfil the requirements of FRS 102, the Governing Body have included the properties in the financial statements at the open market valuation, though it is the intention of the Governing Body to retain the investment properties within the School's endowed funds (note 20) with only the income being used towards the School's charitable purposes. As described in the Governors' Report, Rugby School's share of the net income from these properties is used primarily to finance foundations, scholarships, bursaries and other allowances awarded by the School.

The gross rental income generated from the London Estate properties in 2023/24 was £5.4 million (2022/23: £5.1 million).

The Estate is wholly owned by Rugby School. However, under the terms of the Rugby Lower School (Transfer) Act 1906 and of the Rugby School Act 1922, and as recorded in Note 9, one fifth of the annual net income from this Estate is paid to Lawrence Sheriff School in Rugby.

Special Funds comprise a number of different funds, the income and capital from which is restricted for specific purposes such as scholarships, grants and prizes.

14. DEBTORS

	Parent Charity		Consolidated	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Trade debtors	**2,743**	2,014	**3,122**	2,648
Taxation recoverable and accrued income from HMRC	**-**	-	**1,021**	2
Other debtors	**703**	1,307	**718**	1,352
Inter-group balances	**3,572**	329	**-**	-
Prepayments and accrued income	**959**	2,049	**1,035**	2,059
	7,977	5,699	**5,896**	6,061

15. CREDITORS: due within one year

	Parent Charity		Consolidated	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Trade creditors	**2,852**	3,036	**2,986**	3,148
Taxation and social security	**786**	584	**817**	606
Other creditors	**1,646**	1,534	**1,650**	1,538
Inter-group balances	**-**	-	**-**	-
Accruals and deferred income	**3,016**	1,788	**4,176**	2,017
Entrance fees and final term deposits	**1,226**	1,097	**1,257**	1,117
Advance fees	**646**	818	**646**	818
Advance fees via Scheme (note 17)	**1,801**	414	**1,802**	415
	11,973	9,271	**13,334**	9,659

16. CREDITORS: amounts due after more than one year

	Parent Charity		Consolidated	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Finance lease creditor	**-**	-	**-**	-
Debt finance	**35,000**	35,000	**35,055**	35,058
Entrance fees and final term deposits	**3,347**	3,311	**3,347**	3,310
Advance fees via Scheme (note 17)	**3,481**	499	**3,481**	499
	41,828	38,810	**41,883**	38,867

17. COMPOSITION OF FEES SCHEME

Parents may enter into a contract to pay to the School up to the equivalent of five years' tuition fees in advance under the School's Composition of Fees Scheme. The money may be returned subject to specific conditions. Assuming the students enter and remain at the School, their advance fees will be applied as follows:

	2024	2023
	£000	£000
Between 2 to 5 years	**1,790**	262
Between 1 to 2 years	**1,690**	236
	3,480	498
Within 1 year (note 15)	**1,801**	414
Balance at 30 June	**5,281**	912

17. ADVANCE FEE PAYMENTS *(continued)*

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

	2024	2023
	£000	£000
Balance at 1 July	**913**	857
New contracts	**5,305**	688
Refunds	**(120)**	-
Amounts accrued to contracts	**21**	5
	6,119	1,550
Amounts utilised in payment of fees to the School	**(838)**	(638)
Balance at 30 June	**5,281**	912

18. PENSION SCHEMES

(a) Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff although it enacted phased withdrawal from September 2023 so that new joiners will not be able to join the TPS. The pension charge for the year includes contributions payable to the TPS of £2,106,364 (2023: £1,976,234). There was £266,868 accrued in respect of employer and employee contributions payable at the year-end (2023 - £231,645).

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

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

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

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

18. PENSION SCHEMES *(continued)*

(b) Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973)

Composition of the Scheme

The School operates a defined benefit pension scheme, the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the School in trustee administered funds. The Scheme closed to future accrual on 5 April 2006. Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary.

Actuarial valuation

A full actuarial valuation was carried out at 6 April 2024 and showed the Scheme to be in deficit by only £69k; expressed as a percentage (assets divided by liabilities) the scheme was 99% funded on an 'ongoing basis'. Given the conservative assumptions applied and the strong employer covenant the Trustees have agreed that it would be unnecessary to seek contributions from the School.

The next tri-annual valuation date is set to be as of 5 April 2027.

The principal actuarial assumptions at the balance sheet date were:

	2024	**2023**
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions payment	5.00%	5.00%
Discount rate	5.01%	5.22%
Inflation assumption	3.78%	3.68%
Statutory rate of increase of pensions in deferment	3.78%	3.68%
Expected return on Scheme assets	5.01%	5.22%
Assumes life expectancy on retirement at age 60:		
Retiring today – males	25.8	26.5
Retiring today – females	28.5	29.2
Retiring in 20 years – males	27.0	27.7
Retiring in 20 years – females	29.7	30.4

The amounts recognised in the balance sheet are as follows:

	Market Value 2024 £000	Market Value 2023 £000
Fair value of Scheme assets	**5,671**	5,690
Present value of funded obligations	**(5,287)**	(5,803)
Asset/(Deficit) in the scheme	**384**	(113)

18. PENSION SCHEMES *(continued)*

Change in the present value of the defined benefit obligation are as follows:

	2024	2023
	£000	£000
Defined benefit obligation at 1 July	**5,803**	6,370
Interest cost	**293**	235
Benefits paid	**(443)**	(209)
Actuarial losses/(gains)	**(366)**	(593)
Defined benefit obligation at 30 June	**5,287**	5,803

Change in the present value of the scheme assets are as follows:

	2024	2023
	£000	£000
Fair value of scheme assets at 1 July	**5,690**	6,067
Employer Contributions	**-**	-
Benefit payments	**(443)**	(209)
Expenses paid	**(50)**	(20)
Expected return on scheme assets	**284**	223
Actuarial gains / (losses)	**189**	(371)
Fair value of scheme assets at 30 June	**5,670**	5,690

Analysis of the amounts charged within the Statement of Financial Activities are as follows:

	2024	2023
	£000	£000
Interest on pension scheme liabilities	**(293)**	(235)
Expenses	**(50)**	(20)
Expected return on pension scheme assets	**285**	223
Total amount charged to the Statement of Financial Activities	**(58)**	(32)

Analysis of actuarial gains and losses:

	2024	2023
	£000	£000
Actual return less expected return on scheme assets	**189**	(371)
Experience gains and losses arising on the scheme liabilities	**310**	(204)
Changes to assumption underlying the present value of the scheme liabilities	**56**	797
Actuarial gain/(loss)	**555**	222

18. PENSION SCHEMES *(continued)*

Actual return:

	2024	2023
	£000	£000
Actual return on the Scheme assets in the period	**473**	(148)

The School does not expect to contribute to the defined benefit pension scheme during 2024/25.

History of experience gains and losses:

	2024	2023	2022	2021	2020
	£000	£000	£000	£000	£000
Present value of Scheme liabilities	**5,286**	5,803	6,370	8,409	8,886
Fair value of Scheme assets	**5,670**	5,690	6,067	7,057	6,337
Asset/(Deficit)	**384**	(113)	(303)	(1,352)	(2,549)
Experience gains /(losses) on the liabilities	**310**	(204)	(5)	34	33
Experience gains/(losses) on scheme assets	**189**	(371)	(909)	823	(363)
Actuarial gain/(loss)	**555**	222	1,113	1,240	(956)

Virgin Media pension case

The Charity is aware of the Virgin Media v NTL Pension Trustees II Limited Court of Appeal judgement which may give rise to adjustments to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). At present the legal process is incomplete and therefore we are unable to quantify any potential liabilities.

(c) Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff

From 1 October 1997 to 30 September 2001, Rugby School operated a defined contribution pension scheme for certain non-teaching staff. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

With effect from 1 October 2001, the scheme was replaced by the Rugby School Group Stakeholder Pension Scheme. The School contributes double the employee contributions up to a maximum of 12% of pensionable pay. Employer contributions totalling £1,414,998 (2023: £1,149,243) were paid in respect of this pension scheme for the year. This increase reflects an increasing number of the teaching staff in both schools joining the scheme as a result of the phased withdrawal put into effect for the TPS from September 2023. At the period-end £143,794 (2023: £114,007) was payable in respect of employer and employee contributions to this scheme.

The assets of all schemes are held separately from the School in independently administered funds.

19. ANALYSIS OF NET ASSETS

(a) Current year analysis of net assets between funds:

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2024 Total £000
Parent Charity					
Fixed Assets	-	-	74,263	-	**74,263**
Investments	110,586	20,137	8,384	1,383	**140,490**
Net Current Assets/ (Liabilities)	3,887	(3,295)	24,889	2,029	**27,510**
Long Term Liabilities	-	-	(37,964)	(3,480)	**(41,444)**
	114,473	**16,842**	**69,572**	**(68)**	**200,819**
Consolidated					
Fixed Assets	-	-	74,263	-	**74,263**
Investments	128,716	30,184	8,384	1,383	**168,667**
Net Current Assets/(Liabilities)	1,449	(3,300)	24,736	2,029	**24,914**
Long Term Liabilities	-	-	(38,019)	(3,480)	**(41,499)**
	130,165	**26,884**	**69,364**	**(68)**	**226,345**

(b) Prior year analysis of net assets between funds

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2023 Total £000
Parent Charity					
Fixed Assets	-	-	63,071	-	**63,071**
Investments	112,964	14,468	11,263	1,300	**139,995**
Net Current Assets/ (Liabilities)	4,755	(329)	33,479	(933)	**36,972**
Long Term Liabilities	-	-	(38,424)	(499)	**(38,923)**
	117,719	**14,139**	**69,389**	**(132)**	**201,115**
Consolidated					
Fixed Assets	-	-	63,071	-	**63,071**
Investments	125,729	23,482	11,264	1,300	**161,775**
Net Current Assets/(Liabilities)	5,198	(319)	33,536	(933)	**37,482**
Long Term Liabilities	-	-	(38,482)	(499)	**(38,981)**
	130,927	**23,163**	**69,389**	**(132)**	**223,347**

20. ENDOWED FUNDS

(a) Current year movement in endowed funds:

	Balance at 30 June 2023 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2024 £000**
Parent Charity						
London Estates: Property	101,937	-	-	-	(5,350)	**96,587**
London Estates: Equity	5,955	81	-	-	1,247	**7,283**
Lewis Benefaction fund	9,827	111	(652)	-	1,317	**10,603**
Bilton Grange	-	-	-	-	-	**-**
	117,719	192	(652)	-	(2,786)	**114,473**
Consolidated						
Arnold Foundation Awards	13,208	84	-	-	2,400	**15,692**
	130,927	276	(652)	-	(386)	**130,165**

(b) Prior year movement in endowed funds:

	Balance at 30 June 2022 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2023 £000**
Parent Charity						
London Estates: Property	118,720	-	-	-	(16,783)	**101,937**
London Estates: Equity	5,245	94	-	-	616	**5,955**
Lewis Benefaction fund	9,244	100	(399)	-	882	**9,827**
Bilton Grange	162	-	(164)	-	2	**-**
	133,371	194	(563)	-	(15,283)	**117,719**
Consolidated						
Arnold Foundation Awards	11,382	258	163	-	1,405	**13,208**
	144,753	452	(400)	-	(13,878)	**130,927**

London Estates
The London Estate consists principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial and residential rental income (see restricted funds). Endowed funds also include equity investments (see Total Return note 20c). In the year there was no application of total return to income (see detail in Total Return note 20c).

Lewis Benefaction Fund
The Lewis Benefaction Fund is an expendable endowment capital fund which generates income for the provision of scholarships and bursaries. The income from the fund is fully utilised for this purpose (see restricted funds) and the capital has not been expended.

Arnold Foundation Awards
The Arnold Foundation endowed funds includes £50 of permanent funds and the balance relates to expendable endowment funds which generate income for the financing of bursary awards to Rugby School. This fund is held by the Arnold Foundation for Rugby School. The income from the fund is utilised for this purpose (see restricted funds).

(c) Statement of Total Return

The School adopted a Total Return policy for its London Estate Endowed Non-Property Investment Funds only. This allows investment managers greater flexibility in managing funds within the agreed risk parameters. Unapplied total returns are the total returns on the investments (capital or income in nature), less monies paid out of the Endowed Funds.

The preserved value is protected with an annual CPI uplift and is based on a valuation date of 31 July 2009.

The Unapplied Total Return movements are:

	Preserved Value £000	Unapplied Value £000	**Total £000**
Brought forward:			
Preserved Value	5,633	-	**5,633**
Unapplied Total Return	-	148	**148**
Total	5,633	148	**5,781**
Movement in reporting period:			
Investment return: dividend/income	-	-	**-**
Investment return: gains/losses	-	1,247	**1,247**
Unapplied total return allocated to income	-	-	**-**
Unapplied total return allocated to capital	173	(173)	**-**
Additional Grant to Lawrence Sheriff School	-	-	**-**
Net movement in reporting period:	173	1,074	**1,247**
Carried Forward at 30 June 2024:			
Total	5,806	1,222	**7,028**

21. RESTRICTED FUNDS

(a) Current year movement in restricted funds:

	Balance at 30 June 2023	Incoming funds	Amounts expended	Transfer	Total Return t/f applied to income	Investm't gains	**Balance at 30 June 2024**
	£000	£000	£000	£000	£000	£000	**£000**
Parent Charity							
Special Funds:							
Common Investment Fund	12,007	70	(685)	-	-	3,795	**15,187**
Lewis Benefaction Fund	-	-	-	-	-	-	**-**
London Estate	1,390	5,299	(5,782)	-	-	-	**907**
School	742	6	-	-	-	-	**748**
	14,139	5,375	(6,467)	-	-	3,795	**16,842**
Consolidated							
War Memorial	2,093	35	(57)	-	-	307	**2,378**
General Charitable Trust	-	23	(6)	(17)	-	-	**-**
Arnold Foundation for Rugby School	6,931	978	(1,504)	-	-	1,259	**7,665**
	23,163	6,411	(8,034)	(17)	-	5,361	**26,884**

(b) Prior year movement in restricted funds:

	Balance at 30 June 2022	Incoming funds	Amounts expended	Transfer	Total Return t/f applied to income	Investm't gains	**Balance at 30 June 2023**
	£000	£000	£000	£000	£000	£000	**£000**
Parent Charity							
Special Funds:							
Common Investment Fund	10,963	160	(394)	-	-	1,278	**12,007**
Lewis Benefaction Fund	-	-	-	-	-	-	**-**
London Estate	1,654	5,216	(5,359)	(120)	-	-	**1,390**
School	725	46	(29)	-	-	-	**742**
	13,342	5,422	(5,783)	(120)	-	1,278	**14,139**
Consolidated							
War Memorial	1,878	32	(54)	-	-	237	**2,093**
General Charitable Trust	-	46	(36)	(10)	-	-	**-**
Arnold Foundation for Rugby School	6,537	774	(1,187)	-	-	807	**6,931**
	21,757	6,274	(7,060)	(130)	-	2,322	**23,163**

Common Investment Fund
The Common Investment Fund consists of numerous funds, the income and capital being restricted for specific purposes. With the approval of the Charity Commission, there is a pooling system under which investments belonging to its restricted fund are pooled. The majority of the funds are restricted for the provision of scholarships, bursaries and prizes.

Lewis Benefaction Fund
The income from the endowed fund is fully utilised for the provision of scholarships and bursaries.

21. RESTRICTED FUNDS *(continued)*

London Estates

The London Estate endowment yields commercial and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four fifths which remain, the primary use is to fund foundations and scholarships. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Included within the London Estate Fund is a Reserve Fund for repairs, rehabilitation and reconstruction:

	2024	2023
	£000	£000
As at 1 July	**1,230**	1,350
Transfer from/to net income resources	**0**	(120)
As at 30 June	**1,230**	1,230

In accordance with an Order made by the Minister of Education on 15 January 1963, the Governing Body may transfer funds into a Reserve Fund for the reconstruction and development of the real property of the Foundation at Holborn (the London Estate). No funds were transferred out of restricted funds in the year (2022: no funds) which represents fulfilment of restricted capital projects.

War Memorial Fund

The War Memorial Fund makes awards to help the children of Rugbeians, who are in need of financial assistance, to attend or to remain at Rugby School. The bursaries are assessed and awarded by Rugby School with funding being granted by the War Memorial Fund.

General Charitable Trust

The Trust receives income from covenants and legacies which were established prior to the existence of the Arnold Foundation. The income is gifted to the School, usually to assist with specific capital projects. In the year there was a transfer of £23,000 (2023: £46,000).

Arnold Foundation for Rugby School

The Arnold Foundation fund is monies given to provide funds and future income for the provision of bursary awards to Rugby School and to Bilton Grange via the Earle Fund.

	£000
Expended by the Arnold Foundation in the year to 30 June 2024 in accordance with the wishes of the donors:	
Bursary awards	1,504
Unexpended balance of gifts and legacies as at 30 June 2024:	
Restricted funds to be utilised for Bursary Awards	7,479
Unrestricted funds in Arnold Foundation (but treated as Restricted for the Group) to be utilised for bursary Awards	186
	7,665

Fundraising costs in the year of £441,000 (2023: £442,000) were met by Rugby School.

22. UNRESTRICTED FUNDS

(a) Current year movement in unrestricted funds:

	Balance 1 July 2023 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2024 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	63,071	-	-	11,192	-	**74,263**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	282	-	-	-	-	**282**
Commercial entities fund	688	-	-	-	-	**688**
Bilton Grange designated	5,286	-	-	(5,560)	274	**-**
Bloxam Fund	11,800	(517)	(12)	-	528	**11,799**
General unrestricted funds:						
School operations	(11,757)	38,887	(40,876)	(5,615)	1,449	**(17,913)**
Pension reserve	(113)	-	(58)	-	555	**384**
	69,257	38,370	(40,946)	17	2,806	**69,504**
Consolidated						
Rugby School Enterprises	-	1,911	(1,911)	-	-	**(0)**
Rugby School International	-	665	(665)	-	-	**-**
Rugby School Global P'ships	-	10	(218)	-	-	**(208)**
Rugby School Projects	-	5,699	(5,699)	-	-	**(0)**
Little Grange Nursery	-	1,255	(1,255)			**-**
	69,257	47,910	(50,694)	17	2,806	**69,296**

(b) Prior year movement in unrestricted funds:

	Balance 1 July 2022 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2023 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	59,173	-	-	3,898	-	**63,071**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	282	-	-	-	-	**282**
Commercial entities fund	688	-	-	-	-	**688**
Bilton Grange designated	5,121	-	-	-	165	**5,286**
Bloxam Fund	11,199	(225)	(25)	-	850	**11,799**
General unrestricted funds:						
School operations	(7,081)	41,382	(42,540)	(3,888)	370	**(11,757)**
Pension reserve	(303)	-	(32)	-	222	**(113)**
	69,079	41,157	(42,597)	10	1,608	**69,257**
Consolidated						
Rugby School Enterprises	-	1,522	(1,522)	-	-	**-**
Rugby School International	-	596	(596)	-	-	**-**
Rugby School Projects	-	-	-	-	-	**-**
Little Grange Nursery	(15)	997	(983)			**-**
	69,064	44,273	(45,698)	10	1,608	**69,257**

22. UNRESTRICTED FUNDS *(continued)*

Fixed asset fund
The fund carried forward at the year-end represents the net book amounts invested in tangible fixed assets. A transfer of £11,192,000 was made into the fund (2023: transfer into the fund of £3,898,000) which represents the net fixed asset additions, disposals and depreciation for the year.

Building maintenance fund
The building maintenance fund was originally established for maintenance priorities of the School's buildings over a five-year period. In the year £nil (2023: £nil was expended) was expended from the fund.

Commercial entities fund
The funds gifted by Rugby School Enterprises Limited, Rugby School International limited, Rugby School Global Partnerships Limited, Rugby School Projects Limited and Little Grange Nursery Limited are to be utilised on projects which would benefit a significant proportion of the School's community and may be used for bursaries for exceptional students. £1,400,222 was transferred for the year (2023: £952,429).

Bilton Grange fund
With the charitable merger of Bilton Grange into the School, the non-endowment investments previously held in the name of Bilton Grange Trust Limited were designated by the Governors to be used for capital investment into Bilton Grange and its facilities. These funds have now been deployed to support the construction of the new boarding house at Bilton Grange.

Bloxam fund
The funds in the Bloxam Fund are a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books have been designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community. These funds are added to by various fundraising initiatives or donations from time to time.

School operations
General unrestricted funds are invested in the fabric and estate of the School which is critical to the educational provision.

23. FINANCE AND LEASE COMMITMENTS

The School has the following minimum lease payments, due in relation to non-cancellable operating lease agreements:

	Parent Charity		Consolidated	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Payable within 1 year	**734**	283	**734**	283
Payable between 2 to 5 years	**665**	221	**665**	221
Payable after more than 5 years	**-**	-	**-**	-
	1,399	504	**1,399**	504

During the year the School maintained in place an annually renewable, unsecured, on-demand, £5,000,000 overdraft facility with National Westminster Bank Plc. The facility has remained undrawn during the year ending 30 June 2024.

23. FINANCE AND LEASE COMMITMENTS *(continued)*

On 30 June 2021, the School committed to a 40-year private issue for £35 million placed with MetLife, that closed and funded on 1 September 2021, due for repayment on 1 September 2061. Interest at 2.32% per annum is computed on a 30/360-day basis and payable semi-annually on 1 March and 1 September.

24. RELATED PARTY TRANSACTIONS

The children of staff and Governors may attend the School, subject to the normal entry procedures. In such cases, Governors pay School fees at the standard rates, but staff members receive a discount.

25. CONTINGENT LIABILITIES AND ASSETS

The School has two ongoing claims, one by parents of a former student who was unhappy with their experience at the School and one by a former employer who is claiming in relation to a workplace accident. No provision has been made for any liabilities for these claims at 30 June 2024 as there remains some uncertainty as to the potential outcome in relation to both value and timing and both are expected to be covered by insurance.

26. POST BALANCE SHEET EVENTS

There were no material post-balance sheet events.

RUGBY SCHOOL

England & Wales - Charity number 528752

Accounts

Rugby School

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Registered Charity Number 528752
www.rugbyschool.co.uk

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The Governing Body	**Appointed by**
B J O'Brien, LLB (**2**,**3**,**4**,**5**,**6**,**7**) (Chairman)	Governing Body
R J Elmhirst LLB (**2**,**3**,**4**,**5**,**6**) (Deputy Chairman)	Governing Body
R Aggarwal, MA, MBA	Governing Body
N Bacon FCA, CTA (**2**,**3**,**5**,**7**)	Governing Body
J C Barwell OBE (**2**,**3**,**4**,**7**)	Governing Body
C A Coates LLB (**6,8**)	Governing Body
J Eastwood BA (**8**) (resigned June 2023)	Governing Body
A S Habib (joined October 2022)	Governing Body
C Marten MA (**1**,**6**,**8**)	Governing Body
J Moreland MA, PGCE, NPQH (**8**)	Common Room
A Pantelis (**1**) (resigned June 2023)	Governing Body
Rev Canon Dr M Pryce (**1**)	Governing Body
General Sir T Radford KCB DSO OBE (**6**)	Governing Body
D Skailes BSC, FCA (**2**,**3**,**6**)	Governing Body
P Smulders BA, MBA (**5**) (resigned November 2023)	Governing Body
C Wills LLP (**5**,**7**)	Governing Body

Executive Head Master
P R A Green MA, PGCE (**5**)

Chief Operating Officer and Clerk to the Governing Body
P A Nicholls MA, FCA

Deputy Executive Head
Dr N G Hampton MA, PhD, PGCE

Head Master of Rugby School
G Parker-Jones MA, PGCE

Head Master of Bilton Grange
G E B Jones MEd, BA, PGCE

Principal Address and Registered Office
Rugby School, The Bursary, 10, Little Church Street, Rugby, CV21 3AW

Membership of Governing Body Committees (as of date of this report)

(1) Academic	(2) Finance, Audit & Estates	(3) Audit
(4) Investment	(5) International Development	(6) Nominations
(7) Arnold Foundation	(8) Risk, Compliance & Safeguarding	

Other Current Members of Governing Body Committees

W Assheton (**2**,**3**)	Dr C H Barnes (**7**)	Ms D W Batstone (**7**)	A Fox (**7**)
P Henderson (**4**)	C Howe (**1**)	S Lebus (**5**)	C T Lindsay (**7**)
M D L Ponsonby (**7**)	M Ruffell (**4**)	F Salway (**2**,**3**)	A Stuart (**1**)
M Turner (**7**)	P Yates (**4**)		

(Relevant senior employees of the School are present in attendance at each Governing Body Committee but are not formally members other than as specified above)

Auditor

Crowe U.K. LLP
Cheltenham

Advisers

Bankers
National Westminster Bank plc, Rugby

Investment Property Manager
Tandem Property Asset Management, London

Surveyors
Farebrother, London

Solicitors
Veale Wasbrough Vizards, Bristol

Principal Investment Managers
Quilter Cheviot Ltd, London
Partners Capital LLP, London
Veritas Investment Management, London
WCM Investment Management, California

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2023

The Governing Body of Rugby School ("Governing Body"), who are the trustees of Rugby School including Bilton Grange (the "School" or the "Charity"), present their Annual Report and the audited financial statements of the School for the year ended 30 June 2023. The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)) and with the Charities Act 2011.

The School's Objectives

Charitable Objects
The provision of a broad liberal Christian education at a boarding and day school at the School for children from Rugby and neighbourhood and elsewhere, and by ancillary or incidental activities and other associated activities for the benefit of the community.

Statement of Values
The Charity's principal activity is the education and pastoral care of its students at Rugby School and Bilton Grange. All of its assets and its income and expenditure relate to that activity. The fundamental ethos of 'the Whole Person is the Whole Point' is everything we undertake at the schools to fulfil that principal aim.

The Charity's Strategic Plan includes a Statement of the Rugby School Group Ethos:

- 'Whole Person, Whole Point' is a useful short-hand for encapsulating what a Rugby School Group education is. It is a modern interpretation of Arnoldian[1] traditions: character development, leadership, questioning, balance, belonging and inclusivity.
- All schools in the Group will maintain rigorous standards of best practice in safeguarding and child protection.
- Schools in the Group provide an education that focuses on learning dispositions, not simply the acquisition of knowledge, and includes the full range of academic disciplines.
- Through the mechanism of a learner profile, attitudes, values, skills and knowledge are given equal weighting in an education in which all students sing and make music, are physically active and play sport, are given opportunities for creativity, attend concerts and exhibitions, take part in academic enrichment, have regular meetings with their tutor, and are given leadership opportunities throughout the School.
- The Group strives to be an international network of best-in-class schools, forming genuine partnerships that are more than just a badge above the door; schools which are authentically 'Rugby' but with a local flavour.
- There is a culture in which students are encouraged to ask themselves 'is there more to life than the immediately visible?'
- All students and staff have a commitment to serving others.
- All schools in the Group operate along the lines of a co-educational full boarding school with day pupils.
- There is a strong house system through which outstanding pastoral care is delivered, designed to foster a sense of belonging and inclusion.
- Schools in the Group cherish and nurture the values of team sport as embodied by the game of Rugby Football.

[1] Arnoldian refers to Thomas Arnold, Rugby's most famous Head Master from 1828-1842. His ethos for Rugby became a model for other public schools and exercised a strong influence on the education system of England and beyond.

- All schools have a charitable and philanthropic mechanism to allow talented and academically able children to attend, regardless of their family's financial means or background.
- A global Rugbeian Society will preserve and enhance the bonds of friendship among current and former students, parents, teachers and friends.
- The Group aspires to set the agenda in terms of developing and promoting excellence in teaching and learning, being at the forefront of global thinking on educational matters, whilst being mindful of its history and heritage.
- The Group will attract, train and retain the best staff in the world, embracing diversity and inclusion, promoting their interests and helping them to develop personally and professionally.

The schools consistently strive for all-round excellence. They recognise that there are many fundamental qualities which are not examinable: curiosity, shrewdness, initiative, leadership, an awareness of beauty, a sense of humour, a sense of responsibility and a gift for friendship, and that these and other basic qualities need to be developed in an institution that regards itself as educational.

The Governing Body consider that the schools provide an environment where each student is encouraged to develop and fulfil his or her potential, thereby inspiring a desire to contribute to the wider community.

Objectives for the Year

The Governing Body set the following aims for the academic year 2022/23:

- to maintain the School's commitment to high academic standards providing teaching in person and remotely;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation, Earle Fund, Lawrence Sheriff and others) to ensure that access to the School is as wide as possible;
- to maintain the standards of pastoral care through the implementation of a pastoral rolling plan;
- to continue to provide and enhance the range of co-curricular activities to fulfil our 'Whole Person Whole Point' ethos;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to improve the schools' facilities and to protect the historic environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout both schools;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment.

Strategies to achieve Objectives

The School's strategies for achieving its objectives were to:

- continue to review the academic curriculum to ensure that it is both broad and challenging; at Bilton Grange this means maintaining the traditional Common Entrance syllabus in the core subjects while devising something more innovative in the other subjects;

- continue to subscribe to independently set and assessed tests at age 13 and on entering the sixth form, which produce data which helps evaluate performance in GCSEs, the IB and A levels. Rugby School uses this data to assess value-added performance, against which a summary of outcomes is prepared annually for the Governing Body;
- continue to use academic rolling development plans across the schools and review these annually through department review meetings;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- at Rugby School, continue to use a rigorous Personal Development Review (PDR) process involving the observation of lessons and the close scrutiny of all departments; at Bilton Grange, introduce a new, similar PDR system that focuses on a mentoring approach;
- maintain the House structure, which continues to be one of the defining features of life at Rugby School;
- at Rugby School, provide enhanced CPD and research opportunities (learning awards) for all staff, including learning awards, a Pastoral Leadership Qualification through HMC and lunchtime INSED opportunities;
- at Bilton Grange, also provide enhanced CPD opportunities including new pastoral 'listener' training and a 'mental health first aid' qualification;
- at Rugby School, enhance the process of Levee appointments and enhancing prefect training, including a programme of Graydin coaching;
- increase the number of co-curricular, student-led opportunities and establish a specified student-led enrichment hour in the Scheme of Hours;
- develop further vocational societies;
- provide appropriate high quality educational facilities;
- offer opportunities to day students through the Lawrence Sheriff Foundation awards and bursaries;
- develop the Earle Fund at Bilton Grange as a sister programme to the Arnold Foundation, offering fully-funded boarding places to children in Bilton Grange's Upper School;
- identify suitable candidates for Earle Fund and Arnold Foundation funded places at the schools directly or through links with partner charities and schools in the maintained sector and working with The SpringBoard Bursaries Foundation;
- continue to emphasise the role of the chaplaincy;
- extend the Rugby Schools Group reach by opening a nursery on the Bilton Grange site.

Review of the Year's Achievements and Performance

Principal activities of the year

Rugby School has 13 boarding houses and two day houses for 13–18 year old students. Bilton Grange is a predominantly day school for students aged from 3–13 years old, however it also has a boarding house for boys and a boarding house for girls, which take pupils from Year 3. Little Grange Nursery, for those aged from 6 months and up, opening in August 2022 on the Bilton Grange site.

The average number of students in Rugby School during the year was 864 (2022: 866). The total number of boarders averaged 656 during the year, which maintained the boarder/day ratio at approximately 75/25. The average number of students of Reception age up to sixth form in Bilton Grange was 383 (2022: 351) of whom the average number of full and weekly boarders was 60.

Bilton Grange had successfully passed its ISI Regulatory Compliance Inspection in March 2022 and Rugby School in turn successfully passed its Focused Compliance and Educational Quality Inspection in September 2022 with headline judgments of "excellent" in all of the Key Findings. Meanwhile Little Grange Nursery received approval from Ofsted to open on the 1st August 2022.

Supporting access to the schools remained a priority for the Governors. In 2022/23, 14.9% of Rugby School's students and 9.4% of the children at Bilton Grange received concessions through Scholarships, Lawrence Sheriff Foundationships and Arnold Foundation schemes. These awards entitle students to financial assistance up to 100% of fees and in some cases extras. All concessions beyond 5% scholarship awards are subject to parental means testing. During the year, financial support towards the Rugby School fees was thereby provided for 342 students, representing 40.3% of students in Rugby School, including a significant number of students in receipt of a bursary for the full value of the School fees. A further 119 students at Bilton Grange received some form of financial support representing 31.1% of the students in Bilton Grange. We are particularly proud of our continued efforts to build on and develop student mentoring for Arnold Foundation and Earle Fund students as part of our support for them.

The Schools' activities and strategy over the year have continued to support each School's Development Plans. Rugby School has maintained its high academic performance and its position as one of the leading co-educational boarding schools in the UK and the world.

Educational Performance at Rugby School

The exam results for summer 2023 in no small part continuing the national trend of a move closer to the historic average grades, as the exams ended the use of teacher assessed grades which were used nationally in summer 2021:

All figures in percent	**2023**	**2022**	**2021**	**Eng. 2023**	**Eng. 2022**
A Levels (including Pre-U)					
A* - A	**55.6**	67.6	83.3	**26.5**	35.8
A* - B	**83.0**	86.1	95.6	**52.7**	62.2
A* - E (pass)	**100.0**	100.0	100.0	**97.2**	98.4
GCSE					
A* / 9 - 8	**53.5**	65.6	77.7	**12.0**	
A* - A / 9 - 7	**74.7**	83.0	91.7	**21.6**	26.3
A*- B / 9 – 6	**88.7**	92.9	97.7	**35.6**	
A*- C (pass) / 9 - 4	**98.4**	99.6	100.0	**67.8**	67.3

As previously noted, both schools aim to offer far more than a strong academic performance. The Governing Body and staff place particular importance on robust and effective systems and processes for the pastoral care, support and guidance of our students. However, the academic performance remains a priority and some of the principal achievements of the schools were:

- Excellent A Level and IB Diploma results meant that admittance to universities remained strong, with almost all students progressing to university directly or following a gap year;

- The School enjoyed outstanding results in academic competitions, including Mathematics and Science Olympiads;
- For the first time students at Rugby School were awarded the International Baccalaureate Diploma. They achieved excellent results with strong successful take ups from universities;

Co-curricular highlights of the year at Rugby School

The School's Whole Person, Whole Point ethos means that co-curricular activities are absolutely at the heart of the School's educational programme. This expresses itself in diverse areas:

Sport

Sport continues to remain front and centre at Rugby, and it is particularly gratifying to see the continued growth of Girls' sports. Our girls XV took to The Close for their first ever competitive fixture in March 2023, as they welcomed Oundle, this was followed up with our first girls team playing at Rosslyn Park sevens. In late August our girls' U15A rugby team departed for Pontlevoy to represent the school in the Heritage Cup as part of the Rugby World Cup celebrations. They were joined on the tour by our boys U15A team also.

The summer of 2023 saw a return of our first major sports tour since Covid with over 50 students heading to South Africa to take on some tough opposition in Rugby, Hockey, and Netball. This provided an excellent 'pre-season' for those in attendance. The netballers were lucky to receive a coaching session from Connie Francis, the coach of the Jamaican women's netball team.

Our Girls' 1st XI reaching the finals day of both the T20 and the 100-ball competition in the summer of 2023, going down narrowly in both finals in which rain played its part. These finals days coincided to be in the same week as the annual Marlborough match, in which the girls posted a score of 338/1 with both openers scoring centuries. They went on to win by 204 runs.

There has been significant investment in our racket's courts and a new strength and conditioning suite, which will continue to reenforce our position as one of the leading schools in the country for sport.

The number of pupils on academy pathways has again increased, particularly in cricket, and it is great to see ex-pupils now playing for England Women at T20 level, and for Warwickshire in the County Championship.

Rugby 360

It is a testament to the ongoing importance of service that we now have 550 pupils engaged in the Rugby 360 service programme each week. We have a thriving afterschool clubs programme, which impacted over 600 local Primary School children in 22-23. These children visit our site to engage in a 6-week curriculum enhancement afterschool club, led by Rugby School pupils. The sessions were offered in English, Maths, The Sciences, Sport, Modern and Ancient Languages. Continued success of our relationship with the local foodbanks have seen the students set up a community garden and start growing our own produce for donation. Harvest, Christmas, and Easter collections also continued. In Festival week, we welcomed over 2,000 local children on to campus to participate in workshops on site. We continue to have opportunities for our students to volunteer in hospitals (2), care homes (3), charity shops (14) and in schools (19).

Music

Music remains extremely strong at Rugby School. We are privileged to have a student that won the BBC Young Chorister of The Year competition, which was broadcast on BBC2. The Rugby Chorister Programme was launched at Bilton Grange in September 2022 with 34 students signed up to the programme being supported by pupils and staff from Rugby School. We have also enjoyed many successful collaborations with cathedral choirs in Cambridge. Meanwhile, the chorister programme flourished as a partnership between Rugby School and Bilton Grange providing opportunities for Rugby's choir to learn to lead younger people and organ playing students to gain real life experience in playing in front of worshipers and with choirs.

The annual rock and pop night was a great success, with the winning band headlining at the Festival on The Close as a warm-up act for Bruno Mars (tribute). The quality of the chamber music continues to grow, and the Shostakovich and Brahms concerts from the Festival on The Close are good examples of this. The Blue Note society goes from strength to strength with strong numbers and a wider range of Rock, Pop, and Jazz acts on show. A particular area of growth has been the jazz piano. There have been two broadcasts on BBC Radio 4 for Sunday Worship (one that involved the whole school), and a live broadcast of Evensong on BBC Radio 3. The House singing competition was again a rousing event with the theme in 2022-23 'bands from the 90's'.

Performing Arts

The Festival on The Close generated in the region of £5k for Cancer Research UK, and the whole week saw the highest levels of ticket sales since the inception of the event. We also saw an increase in the number of collaborations with local secondary schools, with some performances seen live in the Macready. The headline event of the week 'A night at the Musicals', hosted by Ken Bruce and backed by the BBC Concert Orchestra, was a spectacle to behold. There have again been many plays, productions, and performances throughout the year. The FB produced some acclaimed performances for Oxford University's Greek Drama, and we also staged 'Much ado about nothing' (Middle School Play), 'A Midsummer Night's Dream' (main school play), 'The Superior Residence' (Senior Scholars Play). There were numerous LAMDA showcases throughout the year, and there was also the inaugural Dance showcase.

Duke of Edinburgh

After the challenges of completing the awards during Covid, over 200 students completed their Bronze and Gold Duke of Edinburgh expeditions in June/July 2023 with 50 pupils completing their silver expeditions during the Easter 2023 holiday. We recently had 23 students invited to Buckingham Palace to receive their Gold Award. In the past academic year, we saw 87 students complete their Bronze Award, 6 complete Silver, and 28 complete Gold (inc. OR's).

Levée

The new Levée was appointed just after Easter. Eight new enthusiastic LXX pupils started as the Co-curricular Levée. They have chosen to focus on communication, awareness, and inclusivity as their objectives for their year in office. Their first event of the year was to host a 'heritage' sports day for all our FB and EB, which saw events such as the three-legged race, tug of war, egg and spoon and sack races sit front and centre.

Highlights of the year at Bilton Grange

- Students from Bilton Grange won an impressive 29 scholarships (academic, D&T, computing, drama, music and sport) although only 22 were accepted.
- Whilst almost 60% of the leaving cohort moved on to Rugby, there were fourteen other public schools destinations for the leaving cohort of Biltonians. Of the leavers heading to Rugby, just under 50% were moving as boarders.
- The scholarships offered by senior schools included six academic scholarships. Three Bilton Grange students also received an award from their senior school for achieving the highest mark in their CE papers for a particular subject (Maths, Biology and Chemistry papers).
- Bilton Grange was delighted to see its Pre-Prep placed in the final for the 'Pre-Prep of the Year' category in the Independent School of the Year Awards 2023. The School was also shortlisted for the category 'Independent School of the Year for Outstanding New Initiative' and won the Muddy Stilettos award for 'originality in teaching music and the arts'. It was also tagged as 'highly commended' by Muddy Stilettos in the categories 'Most Creative Learning Through Play', Best Experiential Learning' and 'Best Eco Initiative'.
- The Rugby Choristers at Bilton Grange programme launched in September 2022 with 34 children from Y4-8 attending vocal training and undertaking Evensong performances over four days each week. As well as this, during the year some probationer choristers in Y3 were appointed. The programme has achieved national renown in various publications and performances have been well received.
- As part of the academic developments, the School adopted the principles of Quality First Teaching to guide the standards of teaching and learning. A new Professional Development Review (PDR) system was launched for teaching staff which was met positively because of its enhanced mentoring approach.
- A full range of sport, music and dramatic opportunities was in evidence at Bilton Grange. The Options programme (after school Clubs) was revamped to provide broader opportunity while the Activities programme was also revised to provide more structured purpose.
- In the area of Performing Arts, each year group had the chance to perform and the Upper School production of Matilda was generally regarded as spectacularly good quality. The staff performed a pantomime in December which was greatly enjoyed and the strength of this department was demonstrated with 4 children gaining a Drama scholarship to their senior school.
- Music is also thriving at Bilton Grange. Concerts were staged throughout the year ranging from soloist evenings to large scale ensemble concerts and jazz soirees. Large numbers of children performed. The chorister programme has been inspirational and teaching of music in the pre-prep has won awards for its originality. Seven of the scholarships offered by senior schools were for music.
- The sporting programme was full with a strong showing in the major team sports. Significant successes were achieved with national gold medals won by BG pupils in swimming and athletics while a number of boys and girls gained county / regional selection in rugby, hockey, netball and cricket. The provision for swimming, tennis and cross-country was improved and a new orienteering course was mapped and marked. Ten of the scholarships offered by senior schools were for sport.
- Following DEI training the previous year, a new staff DEI committee was established with regular meetings through the year. This helped to enhance the working culture within the school for both staff and pupils.
- The total amount raised by BG pupils for charities across the year was £11,883. Charities which benefited included Children in Need, The Hoskyn Centre and Jeans for Genes. Five carloads of donations were collected for the nearby refugee residents at the Dunchurch Park Hotel next door and many items of food were donated to the Rugby Foodbank as part of the School's Harvest Festival collection.

- Little Grange Nursery opened on 1 August 2022, into temporary accommodation for the first 10 weeks while its permanent home was refurbished and then, from Mon 31 October, into its official home. Occupancy rates exceeded expectations from early on and the provision as well as standard of finish has been with very positive responses. The Nursery quickly settled well into its 51 week per year model with its first cohort of 'graduates' leaving at the end of the Summer term.

Plans for Future Years

The Governing Body continues to pursue the School's general objectives as set out earlier. The Governing Body has also set the following aims for the academic year 2023/24:

- to maintain the School's commitment to high academic standards;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to develop the provision at Bilton Grange Preparatory School as a core part of the Rugby Group of Schools;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation and Lawrence Sheriff) to ensure that access to the School is as wide as possible;
- to develop a plan for outstanding and forward thinking emotional and physical health and well-being vision for 2024;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to develop and strengthen the 'Whole Person Whole Point' brand using positive and inspiring examples to illustrate our ethos in action;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to provide outstanding facilities that are safe, secure and inspirational places to live and work in;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment;
- to continue to explore opportunities for on-line education, both commercially and for internal use.

Strategic development plans are presented to and reviewed by the Governing Body at least annually.

Public Benefit Objectives

In setting the School's objectives and planning its activities the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Widening access to the School

The Governing Body is conscious that the schools must remain accessible to talented children, irrespective of parental means. This was the main driving force for the launch of the Arnold Foundation for Rugby School in late 2002 which has expanded to offer places at Bilton Grange under the Earle Fund. As of September 2023, 177 students and former students had benefited from support provided by the Foundation since 2004. The Governing Body thanks all the donors who have contributed over the year and is delighted that there were 26 Arnold Foundation students and 3 Earle Fund students at the schools during 2022/23. Two of the new Arnold Foundation students had started as Earle Fund students. In September 2023 the number of students in the schools who are funded by the Arnold Foundation is 29 at Rugby School and a further 3 at Bilton Grange.

Long before the launch of the Arnold Foundation for Rugby School, the School funded from its endowed and restricted funds a large number of scholarships, bursaries and concessions.

The Governing Body is determined to ensure that these are directed to cases of greatest need; therefore scholarship and foundation scholarship awards are initially for a maximum of 5% of fees, such scholarships being, however, augmentable (up to 100% if necessary) based upon an assessment of parental means.

Bursaries policy

The School's policy is to award scholarships on the basis of an individual's educational potential. The School provides bursaries and augmentations, up to 100% of fees subject to means-tested assessments, to those students whose education may be at risk due to financial hardship or to make places available for deserving students from families who might otherwise not be able to afford school fees.

The total cost of scholarships, bursaries and augmentations during the year was £5.5 million (2022: £4.7 million) for the School including those of Bilton Grange.

Approximately a third of students receive awards. Awards entitle students to financial assistance up to 100% of fees, subject to parental means tests.

Contribution to local schools

One fifth of the annual net income from the London Estate totalling £0.70 million (2022: £0.68 million) was paid to our neighbour, Lawrence Sheriff School, which operates in the state sector.

Community partnerships and services

The School aims to be a good neighbour in its local community and to develop mutually beneficial partnerships wherever possible.

Such initiatives have included those detailed above in the Review of the Year's Achievements and Performance as well as:

- members of staff contributed their time voluntarily to a number of charitable causes such as assisting in the running of the Bradby Club, the Rugby Portobello Trust, and the Lawrence Sheriff Alms-houses as well as acting as governors of a number of maintained schools;
- the School opened its sports and other facilities to many local individuals and organisations (including other schools) charging rates below those applying to commercial businesses, sometimes providing facilities free of charge;
- both Rugby School and Bilton Grange's facilities are provided free of charge for a number of charitable fund-raising activities including school sports days, concerts, plays, art exhibitions local sporting organisations; and
- numerous local choirs and orchestras have held rehearsals and concerts in a number of School venues during the course of the year and the School has also hosted several events involving local schools.

Fundraising

Members of the School's Rugbeian Community Office and Development Team organise fundraising activities and events and co-ordinate philanthropic support and involvement for the Arnold Foundation, Earle Fund and the schools. No entities within the Group use fundraising consultants or involve commercial participators.

The School is registered with the Fundraising Regulator and operates according to the Code of Fundraising Practice.

All direct fundraising marketing is undertaken by the fundraising team within the Rugbeian Community Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Group Structure

The School's consolidated report and financial statements include the activities and results of its wholly-owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited, Little Grange Nursery Limited and Rugby School Projects Limited and also of three associated charities – the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund. The trustees and directors of these associated charities and companies are all appointed by the Governing Body of Rugby School.

Rugby School Enterprises Limited
The principal aim of this trading subsidiary is to generate income from the use of the School's facilities when not required for their principal educational purpose, and particularly during holiday periods. The company operates language and other courses, operates the School shop and also runs a Sports Centre which is open to the public when not being used by the School. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Rugby School International Limited
The principal activity of the company is the provision of support to third parties to establish new premium international schools associated with Rugby School, in relation to using the School's trademarks and know-how. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Little Grange Nursery Limited
The principal activity of the company is the commercial provision of a nursery for children aged 6 months to 5 years and it received its Ofsted Registration in the Summer of 2022 before opening at Bilton Grange in August 2022.

Rugby School Projects Limited
This subsidiary company supplies design and build services and in March 2019 completed the construction of a new boarding house for the School. The entity is planned to be active during the planned construction of a new boarding house at Bilton Grange over the coming years.

The Arnold Foundation for Rugby School
The Arnold Foundation for Rugby School (the Arnold Foundation), an associated company that is also a registered charity, number 1095856, has the principal aim of raising funds for more bursary awards, widening access to the School, so that more talented people may benefit from a boarding school education at Rugby, irrespective of their parents' ability to pay the fees.

The Rugby School General Charitable Trust
Prior to the 2002 incorporation of the Arnold Foundation for Rugby School, this trust (also an associated entity) was principally engaged in raising funds from supporters of the School, usually to assist with named capital projects. From 2002, activity in this Trust has been limited to the receipt of income from covenants and legacies that were established before the Foundation's existence and for fund-raising activities not conducted through the Arnold Foundation.

The Rugby School Combined War Memorial Fund
Originally established in honour of those members of the Rugby School family who fell in the two Great Wars, this trust (an associated entity) uses its investment income to fund scholarships or bursaries awarded to the children of Rugbeians who meet the criteria for financial assistance to attend or remain at Rugby School.

The Trustees have expanded the Fund's objects by way of a Charity Commission Scheme in order to allow it to also support the children of those working in the emergency services and the NHS.

Financial Review

The School endeavours to ensure financial stability and continuing solvency year on year so that it can pursue its educational aims and objectives. Rugby School's management continues to recognise the importance of strong cost control, seeking to contain cost increases as much as possible while ensuring that the School continues to deliver first class education and pastoral care.

The School's charitable activities continue to be the main source of the Charity's consolidated income and expenditure.

The School's operations for the year ended 30 June 2023 resulted in net outgoing funds from operations of £2,158,000 (2022: a net incoming figure of £318,000), after charging £4.37 million (2022: £3.96 million) for depreciation on the School's property and equipment, but before pension revaluation adjustments under FRS 102.

The consolidated net outgoing resources for the year, were heavily affected by a revaluation of the London Estate and stood at £12.3 million (2022: net incoming resources of £6.8 million) which, in addition to the School's operating surplus, included:

- the Arnold Foundation for Rugby School received gifts and legacies as endowed funds of £0.4 million and as restricted funds of a further £0.5 million during the year;
- a net transfer of £2.7 million from the London Estate, after the payment of the one-fifth share to Lawrence Sheriff School;
- £5.5 million (representing 13.5% of gross fees) was used to fund scholarship and bursary awards. Assistance towards payment of the fees in this way was provided to a total of 399 students across Rugby School and Bilton Grange.

Including the year-end revaluation on investments, which are substantially either restricted or endowment related, and the pension scheme actuarial revaluation, there was a net decrease in the Charity's funds for the year of £12.2 million (2022: a net increase £7.9 million) as the property investments in the London Estate saw a significant decrease in value as a result of the significant changes in discount rates applied due to the rapid increases in interest rates. If the movement in the value of the London Estate property is excluded, the outturn would have been a £4.6 million increase in the Charity's funds.

Balance Sheet

The movement of funds for the year generated total consolidated funds of £223 million standing to the credit of the School as at 30 June 2023. The underlying assets and liabilities are set out in the Balance Sheet and further analysed in the notes which accompany the financial statements.

Funds

The results of School operations (fees and related income less expenditure to administer, maintain and develop the School) are identified separately within the body of the financial statements. The use of net funds generated by this activity is unrestricted.

Endowed funds are predominantly represented by the London Estate, consisting principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial, retail and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four-fifths which remain, the primary use is to fund foundations, scholarships and bursaries. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Restricted funds can only be used for specified purposes and, accordingly, the School accounts separately for such assets, and for the income and expenditure related to them. The Consolidated Statement of Financial Activities further analyses these restricted funds as Special funds, consisting principally of fixed interest bearing securities and holdings in investment trusts and equities, many of which arose originally from bequests for specific purposes, such as scholarships, bursaries and prizes. The annual net income from such funds is used exclusively for the specified purposes, with any unallocated amounts being carried forward for the specific purposes in future years.

Other restricted funds consist primarily of gifts and legacies received through the Arnold Foundation for Rugby School, but also through the General Charitable Trust and the War Memorial Fund (see above). Gifts from the General Charitable Trust are utilised in the period. The carried forward balance of other items on the Statement of Financial Activities relates to the Arnold Foundation for Rugby School and the War Memorial Fund (see note 21).

Reserves Policy

The Governing Body has moved to an EBITDA based objective. The School does not expect to borrow money to cover operational requirements other than to cover short-term timing issues. The School has issued a £35 million private placement in order to fund various capital expenditure programmes in view for the coming five years.

It is the intention of the Governing Body that, on a continuing basis, the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities. In those years where there are free reserves, the School may consider advancing the capital expenditure programme or designating funds for an identified programme of capital maintenance and investment.

In other years where the School may have negative free reserves, the School aims to manage the day to day working capital requirements through careful management of short term liquid resources.

The policy on the unrestricted reserves ensures that a proportion is allocated as designated funds, established in respect of:

- Fixed assets fund – the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities.
- Building maintenance fund – used when the School sets aside additional monies towards the costs of maintaining the School's facilities as part of its development plans.
- Rugby School Enterprises fund – the funds gifted to the School by the trading subsidiary are to be utilised on projects determined by the Governing Body which benefit a significant proportion of the School's community. During the current year this encompassed the provision of additional scholarships.
- Bilton Grange fund – this fund relates to investments transferred to the Charity under the charitable merger in January 2020. The investments have been designated for usage in the planned projects at Bilton Grange.
- Bloxam Fund – The funds originated from a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books which were designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community.

The financial statements indicate that the majority of the school's unrestricted funds of £69 million (see note 22) are invested in premises and equipment of £63 million, £18 million in other designated funds as described above, leaving general unrestricted funds, or free reserves at a deficit of £11.9 million before any pension provision. Given the financial strength of the School, in particular the endowment investments, the Governing Body is satisfied that this is adequate.

The Governing Body prepares a detailed long-term plan having regard to the School's financial and physical resources, so that at all times the School retains the strength and flexibility to respond to contingencies and to longer term needs that may not be currently foreseen. Accordingly, the Governing Body consider that the School and the group have adequate resources and flexibility for the foreseeable future and consequently the adoption of the going concern basis is appropriate in preparing the financial statements. The reserves policy is monitored by the Finance & Audit Committee and is reviewed annually.

Fundraising Performance

The Arnold Foundation received £1 million of donations and legacies in the year. These funds will be applied for the specific aim of providing means-tested bursary awards to those students whose parents would not otherwise be able to afford an education at Rugby School.

Investment Performance

In relation to its financial investments, the Governing Body aims to optimise the returns generated by the investments such that, over the long term, the capital values are, at the least, maintained when adjusted for inflation.

This objective will be achieved if the benchmark, determined for each fund, is exceeded by at least 0.5% per annum on a rolling 3, 5 and 10 year period, provided the total return targets are also met.

There are no specific restrictions other than that the investments should be suitable for trusts. The School's investment performance is monitored regularly against objectives by the Investment Committee.

Governance and Management

Charity Governance Code

The Governing Body understands that effective governance is critical in running the charity and uses the Charity Governance Code as an important tool in assisting with the continuous review of governance of the Charity.

Governing Body

The School is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922.

Appointments, Recruitment and Training of Governors

Under the statutes, there is one nominated Governor and other members are appointed by the Governing Body itself. The Governors and principal officers are named on page 3 and 4 of this report.

Mrs Audrey Pantelis resigned as governor in June 2023 and Mrs Janet Eastwood also resigned as a governor in June 2023. Mr A Habib was appointed as a governor on 13 October 2022. Mr C Greenhalgh was appointed as a governor on 4 September 2023.

Where the Governing Body itself co-opts a new member, this follows a selection process and a recommendation from its Nominations Committee. Governors are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Governors visit the school for induction, receive key information relating to the charity and sign an appointment letter. All Governors are encouraged to attend the annual strategic planning meeting which often incorporates trustee-training issues.

The Governing Body's voluntary code on retirements provides that, with the exception of the Lord Lieutenant and the Chairman and Deputy Chairman, members of the Governing Body do not normally serve more than ten years, unless, in exceptional circumstances, the Governing Body determines otherwise.

Governance

The Governing Body is responsible for the overall management and control of the School and meets at least once a term. Its principal responsibilities are to:

- ensure that the School is run in accordance with its charitable objectives and that all the functions of the school are authorised by the powers provided by its statutes and regulations and by charity law;
- act in the best interests of the School and current and future beneficiaries at all times;
- appoint the Executive Head Master and after consultation with the Executive Head Master, the Chief Operating Officer, the Deputy Executive Head, the Head Master of Rugby School and the Head Master of Bilton Grange, the Deputy Head(s) and the Assistant Head(s) and approve their terms and conditions;
- in consultation with the Executive Head Master and his management team, set the strategy and policies by which the School will be run;
- approve the Development Plan;
- ensure that the School meets the objectives that the Governing Body sets from time to time;
- control finance by approving realistic budgets and longer-term plans and by approving systems and safeguards that optimise the chances that they will be achieved;
- ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- understand the extent of duties in relation to risk management and to legal compliance and be satisfied that there is a rolling programme for meeting them;
- ensure that competent professional advice is taken when necessary;
- appoint a Chairman and Deputy Chairman;
- appoint members to its committees; and
- review and approve the terms of reference and the output of these committees.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2023

Organisational Management

Governing Body Committees

The Governing Body has appointed the following committees (shown alphabetically) of its members to oversee the activities set out below. Membership is supplemented by the attendance of some of the principal officers of the School and by others with appropriate specialist knowledge. All these committees report regularly to the Governing Body and their terms of reference are reviewed annually.

- Academic Committee: Review of academic policies and performance.
- Arnold Foundation Board: Advise and support the trustees of the Arnold Foundation and the Governing Body in raising funds for the Arnold Foundation.
- Risk, Compliance and Safeguarding Committee: Legislation and inspection compliance, risk management.
- Finance, Audit and Estates Committee: Financial policy and general operations relating to the running of the School.
- Audit Committee: The Audit Committee is effectively a sub-committee of FAE and addresses financial reporting, systems and controls.
- International Development Committee: Formulation of the strategy for Rugby School's international development and recommend international projects.
- Investment Committee: Management and administration of Special Funds and all other non-property investments. The Governing Body have agreed that the School's investment portfolio be managed on a discretionary basis by its Investment Managers subject to policies and objectives that the Governing Body establishes from time to time having regard to the Investment Committee's recommendations.
- Nominations Committee: Review of Governing Body membership, including recommendations of individuals who might be co-opted to the Governing Body.

Membership of these committees is shown on pages 3 and 4.

Key Management Personnel

The Governing Body delegates the daily management of the School to the Executive Head Master. The Executive Head Master is aided by other Key Management Personnel as detailed below.

Remuneration of the Key Management Personnel is set by the Nominations Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contributions to the School's success.

The Executive Leadership Group comprised the Executive Head Master, the Chief Operating Officer, who is also Clerk to the Governing Body, the Executive Deputy Head the Head Master of Rugby School and the Head Master of Bilton Grange, the Director of the Rugbeian Community, the Estates Director, the Finance Director, the HR Director, the International Development Director and the School Chaplain.

The Leadership Group of the schools comprised the SMTs of the schools together with the Operations and Administration Management Group and any other members of the Executive Leadership Group.

Changes to Organisational Management in 2023-24

After a good tenure, Peter Green, the Executive Head Master, has declared his intention to retire from his role from 1st January 2024. With his departure, the senior leadership of the group will change to be formed of the Head Master of Rugby School, the Head Master of Bilton Grange, the Executive Principal (Neil Hampton) and the Chief Operating Officer (Peter Nicholls), together known as the Executive Leadership. They will collectively report to the Governing Body and bear responsibility for the implementation of the group's strategy.

Support

The School and the Governing Body greatly appreciate the important and valuable support given to the School in so many ways by Rugbeians and many other friends of the School. Above all, the Governing Body remains deeply grateful to the entire staff, both teaching and operational and administrative, whose unstinting hard work and loyalty has enabled the School to achieve its major objectives.

Principal Risk and Risk Management

The Governing Body conducts annually a review of risk assessments undertaken by the School's management to identify the major risks to which the School (and the subsidiary and associated entities covered by this report) is exposed, and the systems for their mitigation. The Governing Body's Risk, Compliance and Safeguarding Committee reviews the School's Risk Management Report termly.

The Governing Body considers the principal risks faced by the School to be:

- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- the ability to address the economic environment and cost-of-living challenges;
- an inappropriate mix of students or unfilled student places;
- the impact of the cost-of-living challenges on donations;
- the risk of an incoming government applying VAT to educational fees which could significantly affect parental demand;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the School's control, such as changes in legislation.

In the opinion of the Governing Body, the School (and the subsidiary and associated entities) has established resources and review systems which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2023

Statement of Governing Body responsibilities in respect of the Annual Report and the Financial Statements

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

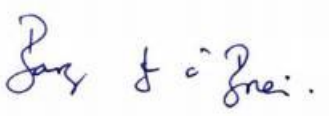
The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Auditors

Crowe UK LLP has indicated its willingness to be re-appointed as statutory auditors.

Approval

This report and the accompanying financial statements were approved by the Governing Body on 22 November 2023.



B O'Brien
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL

Opinion

We have audited the financial statements of Rugby School for the year ended 30 June 2023 which comprise the consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 30 June 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized 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 Governors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Governing Body; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing Body

As explained more fully in the Statement of Governing Body Responsibilities statement, the Governing Body 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 Board 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 Board are responsible for assessing the group and the parent 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 Governors either intend to liquidate the 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 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governing Body and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the accuracy of bursaries, scholarships and allowances, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over bursaries, scholarships and allowances, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Date: 20 December 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2023

	Funds:	Unrestricted	Endowed	Restricted	2023	Unrestricted	Endowed	Restricted	2022
	Notes	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:									
Charitable Activities									
School fees receivable	2	38,276	-	-	**38,276**	35,113	-	-	35,113
Ancillary trading income	4	2,525	-	-	**2,525**	1,527	-	-	1,527
Other Trading Activities									
Trading income (non-ancillary)	5	2,994	-	-	**2,994**	1,759	-	-	1,759
Investments									
Investment income	6	465	194	5,692	**6,351**	406	69	5,489	5,964
Voluntary Sources									
Donations and legacies		1	258	582	**841**	1	1,382	676	2,059
Other		13	-	-	**13**	5	-	72	77
Total Income		44,274	452	6,274	**51,000**	38,811	1,451	6,237	46,499
EXPENDITURE ON:									
Raising Funds									
Trading	7	1,139	-	-	**1,139**	889	-	-	889
Financing costs		1,022	-	1	**1,023**	963	-	-	963
Investment management costs		28	94	2,024	**2,146**	12	-	2,029	2,041
Fund-raising and development		-	-	442	**442**	-	-	506	506
Total cost of fundraising		2,189	94	2,467	**4,750**	1,864	-	2,535	4,399
Charitable Activities									
School operations		43,509	-	11	**43,520**	37,515	-	-	37,515
Scholarships, bursaries and prizes	3	-	306	3,878	**4,184**	-	-	3,587	3,587
Payment to Lawrence Sheriff School	9	-	-	705	**705**	-	-	681	681
Costs of Charitable Activities		43,509	306	4,594	**48,409**	37,515	-	4,268	41,783
Total Expenditure	7	45,698	400	7,061	**53,159**	39,379	-	6,803	46,182
Net (Expenditure)/Income		(1,424)	52	(787)	**(2,159)**	(568)	1,451	(566)	317
Net gains/(losses) on investments	13	1,386	(13,877)	2,322	**(10,169)**	(1,619)	10,561	(2,463)	6,479
Net Income		(38)	(13,825)	1,535	**(12,328)**	(2,187)	12,012	(3,029)	6,796
Transfer between funds	20,21, 22	10	-	(10)	**-**	8	(69)	61	-
Release of Repairs Fund	21	-	-	(120)	**(120)**	-	-	-	-
Actuarial (loss)/gain on defined benefit pension scheme	18	222	-	-	**222**	1,113	-	-	1,113
NET MOVEMENT IN FUNDS		193	(13,825)	1,406	**(12,226)**	(1,066)	11,943	(2,968)	7,909
Reconciliation of Funds									
Balances brought forward at 1 July		**69,064**	**144,752**	**21,757**	**235,573**	70,130	132,809	24,725	227,664
BALANCES CARRIED FORWARD at 30 June		**69,257**	**130,927**	**23,163**	**223,347**	**69,064**	**144,752**	**21,757**	**235,573**

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
BALANCE SHEETS
AS AT 30 JUNE 2023

	Notes	Parent Charity 2023 £'000	Parent Charity 2022 £'000	Consolidated 2023 £'000	Consolidated 2022 £'000
FIXED ASSETS					
Freehold properties, fixtures & equipment	12	**63,071**	59,173	63,071	59,173
Investments	13	**139,995**	155,156	161,775	174,393
		203,066	214,329	**224,845**	233,566
CURRENT ASSETS					
Stock		**10**	0	110	78
Debtors	14	**5,699**	6,280	6,061	7,102
Investments – deposits		**29,183**	513	29,428	513
Bank and cash		**11,351**	43,588	11,542	43,680
		46,243	50,381	**47,141**	51,373
CURRENT LIABILITIES					
Creditors due within one year	15	**(9,271)**	(9,802)	(9,659)	(10,190)
NET CURRENT ASSETS		**36,972**	40,579	**37,482**	41,183
TOTAL ASSETS LESS CURRENT LIABILITIES		**240,038**	254,908	**262,327**	274,749
CREDITORS due after more than one year	16	**(38,810)**	(38,813)	(38,867)	(38,873)
NET ASSETS EXCLUDING PENSION LIABILITY		**201,228**	216,095	**223,460**	235,876
PROVISIONS					
Defined benefit pension scheme liability	18	**(113)**	(303)	**(113)**	(303)
NET ASSETS INCLUDING PENSION LIABILITY	19	**201,115**	215,792	**223,347**	235,573
FUNDS OF THE CHARITY:					
Endowment funds	20	**117,719**	133,371	**130,927**	144,752
Restricted funds	21	**14,139**	13,342	**23,163**	21,757
Unrestricted funds:					
Unrestricted income funds		**69,370**	69,382	**69,370**	69,367
Pension reserve		**(113)**	(303)	**(113)**	(303)
Total unrestricted funds	22	**69,257**	69,079	**69,257**	69,064
TOTAL CHARITY FUNDS		**201,115**	215,792	**223,347**	235,573

The deficit for the financial year in the financial statements of the parent charity was £2,157,000 (2022: deficit of £797,000).

Approved by the Governing Body on 22 November 2023 and signed on their behalf by:

B J O'Brien – Chairman of Governing Body

D Skailes – Chairman of Audit Committee

P A Nicholls – Chief Operating Officer

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated	
	2023	2022
	£'000	£'000
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**(2,158)**	318
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(926)**	(749)
Endowment donations	**(258)**	(1,382)
Depreciation	**4,370**	3,961
Release of Repairs Fund	**(120)**	-
Transfer of Fixed Assets from Bilton Grange merger (@ NBV)	**-**	-
(Increase)/Decrease in stocks	**(32)**	(17)
(increase)/Decrease in debtors	**1,041**	(633)
Increase/(Decrease) in creditors	**(481)**	1,233
Increase/(Decrease) in Fees in advance scheme	**(55)**	(148)
Increase/(Decrease) in pension scheme liability	**32**	64
Net cash provided by operating activities	**1,413**	2,647
Cash flows from investing activities:		
Purchase of fixed assets	**(8,268)**	(7,021)
Sale of fixed assets	**-**	(2)
Purchase of investments	**(6,908)**	(8,111)
Sale of investments	**8,903**	12,228
Investment income and bank interest receivable	**926**	749
Transfer (to)/from short term bank deposits and equivalent	**(28,460)**	(285)
Net cash used in investing activities	**(33,807)**	(2,442)
Cash flows from financing activities:		
Increase in debt finance	**-**	35,000
New endowments	**258**	1,382
Net cash provided by financing activities	**258**	36,382
Change in cash and cash equivalents in the reporting period	**(32,138)**	36,587
Cash and cash equivalents at the beginning of the reporting period	**43,680**	7,093
Cash and cash equivalents at the end of the reporting period	**11,542**	43,680
Analysis of cash and cash equivalents:		
Cash at bank	11,542	43,680
	11,542	43,680

The notes on pages 28 to 55 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Rugby School ("the School") is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 registered in England & Wales (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922. The principal address is The Bursary, 10 Little Church Street, Rugby, Warwickshire CV21 3AW.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS102)), Financial Reporting Standard 102 and the Charities Act 2011 and the Rugby School Act 1922. A summary of the principal accounting policies, which have been applied consistently, is set out below.

(a) Basis of Accounting

The charity meets the definition of a public benefit entity.

The Governing Body consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets, including investment properties, are carried at market value at the balance sheet date.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Basis of Consolidation

The consolidated statement of financial activities (SOFA), balance sheet and the consolidated cash flow statement include the financial statements of the School, its subsidiary undertakings and associated entities made up to 30 June 2023. The subsidiary undertakings of Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited are all trading companies. The associated entities are The Arnold Foundation for Rugby School, Rugby School General Charitable Trust and Rugby School War Memorial Fund, all of which are registered charities.

No separate SOFA has been presented for the charity in the financial statements. The balance sheet of the parent charity is represented by the column headed "parent charity" and includes the results of School operations, the London Estate and the Special Funds, all of which are included within the same legal entity.

The separate parent charity's Statement of Financial Activities (SOFA) for the year ended 30 June 2023 shows gross income, excluding gift aid and donations from group entities, of £47.8 million (2022: £44.4 million) and a total deficit of £ 2,279,158 (2022: deficit of £797,589).

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash-flow statement with the consolidated financial statements.

The consolidation has been carried out on a line-by-line basis.

(c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated net of staff concessions and sibling discounts but include contributions received from Endowed and Restricted funds for scholarships and bursaries.

The provision of scholarships, augmentations and additional financial support is reviewed at least annually.

(d) Advance Fees

The School offers parents the opportunity to pay for up to 7 years fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the student joins the School, whereupon the fees for each term are released to fee income. Amounts received as Advance Fees may be returned to parents subject to specified conditions.

(e) Donations and legacies

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities that are donated be converted to cash as soon as possible. No amounts are included in the financial statements for services generated by volunteers. Donations subject to specific wishes of the donors are retained in relevant restricted funds.

The assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger deed dated the on 6 January 2020. Given the nature of the transaction, the transfer has been reflected in the School's accounts as a donation.

(f) Expenditure

All expenditure is accounted for on an accruals basis as soon as a liability is considered probable and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been apportioned according to time spent.

(g) Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include finance and human resources and are allocated on a basis consistent with the use of the resource.

(h) Governance Costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for Governing Body and costs associated with meeting constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability.

(i) Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

(j) Leased Assets

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is depreciated over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the SOFA in proportion to the remaining balance outstanding.

(k) Finance Costs

These include amounts accrued in accordance with the terms of the Advance Fee contracts.

(l) Currency

The financial statements are prepared in sterling which is the functional currency of the School.

Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

(m) Taxation

As a registered charity, the School is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Although the School is registered for VAT, School fees are exempt from VAT. Irrecoverable VAT on costs incurred is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, as appropriate.

(n) Pension Schemes

The School contributes to the Government's Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The pension liability is the responsibility of the Teachers' Pension Scheme. As a result, it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, the Scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff, a defined benefit scheme, and the Rugby School Group Stakeholder Pension Scheme, a defined contribution scheme. The defined benefit scheme is administered by trustees and wholly invested with Baillie Gifford, at rates recommended by the Scheme Actuary. The defined contribution scheme is administered by Aviva.

(o) Tangible Fixed Assets

Expenditure on the acquisition or construction of new buildings, fixtures, fittings and equipment costing over £5,000 are capitalised and carried in the balance sheet at historical cost less depreciation. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on fixtures and equipment incurred in the normal day-to-day running of the School and its subsidiaries, and costing less than £5,000, is charged to the SOFA as incurred.

An impairment review of fixed assets is carried out on a regular basis.

(p) Depreciation

Freehold land is not depreciated.

Depreciation of other assets is normally calculated to write off the cost of the tangible fixed assets, less their estimated residual value, on a straight-line basis over the expected useful economic life of the assets. Some assets in the register have previously had their rates of depreciation adjusted to account for historic under-depreciation. Additions of freehold buildings and refurbishments are depreciated from the beginning of the year following completion.

The principal annual rates over which assets are depreciated are:

New building (incl. chapel organ)	50 years (generally)
Refurbishments	15 - 25 years
All-weather pitches and telecommunications work	15 years
Computer equipment	3 years
Other fixtures, fittings and equipment	5 years

(q) Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Investment properties (which are all held in the London Estate) are valued on an open market value basis. A formal professional valuation is carried out every 5 years and prepared on an informal basis in the intervening period. No depreciation is provided on investment properties.

Income from investments is included, together with the related tax credit, in the year in which it is receivable. Rent receivable from investment property is classified as investment income.

(r) Fund Accounting

Unrestricted funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School and have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governing Body for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. In particular:

- permanent endowment arises where a donor intends the gift to be permanently retained. All income for spending will accrue to the appropriate restricted fund.

- expendable endowment funds are accounted for similarly, except that, if required, the capital may be converted into income for spending.

Investment income and gains are allocated to the appropriate fund.

(s) Total Return Accounting

During the year ended 30 June 2023 Rugby School, under powers granted by section 104A of the Charities Act 2011, adopted a total return approach to the investment of the London Estate Investment (non-property) Portfolio. The powers permit the Trustees to invest these funds to maximise total return and to make available a portion of the total return for expenditure each year. The intention is to receive a return of 3% each, with a minimum UTR of £500,000. Until the Trustees decide to appropriate all of the Total Return, the unappropriated portion of the Total Return shall be 'Unapplied Total Return' and remain part of the endowment.

(t) Stocks

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

(u) Reserve for Repairs, Rehabilitation and Reconstruction

In order to maintain the London Estate properties in good order, and with the authority granted by the Minister of Education, a designated reserve is set aside for repairs, rehabilitation and reconstruction. An appropriate sum is transferred to the reserve from the incoming resources of the London Estate to provide sufficient funds to meet liabilities arising in the foreseeable future.

(v) Key judgements and assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances.

The following areas have been considered:

- Pension liability. The School engages a firm of actuaries to provide expert advice about the assumptions made relating to the discount rate used, changes in retirement ages and mortality rates and the effect on the pension liability of changes in these assumptions.

- Investment property valuation. The School engages a firm of chartered surveyors to provide advice on the assumptions relating to the valuation.

(w) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value. The school and its entities only have financial assets and liabilities of a kind that qualify as basic financial instruments.

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2023	2022
	£000	£000
The School's fee income comprises:		
Gross fees	**40,894**	37,392
Less scholarships/bursaries not funded from Restricted Reserves	**(1,323)**	(1,092)
Less staff, sibling and other concessions	**(1,295)**	(1,187)
School Fees Receivable (SOFA)	**38,276**	35,113
Less scholarships/bursaries/grant/prizes/other awards funded from Restricted Reserves	**(4,184)**	(3,587)
Net Fees	**34,092**	31,526
Add back from Restricted Reserve	**4,184**	3,587
	38,276	35,113

In the figures for the year ended 30 June 2023, we have separated out certain scholarships and bursaries which were supported from Designated and other Unrestricted Funds rather than from Restricted Reserves.

3. CHARITABLE ACTIVITIES - SCHOLARSHIPS, GRANTS, PRIZES AND OTHER AWARDS

The total scholarships, grants, prizes and other awards paid for by Endowed and Restricted Funds comprise:

	2023	2022
	£000	£000
Foundation Scholarships	**123**	110
Scholarships	**998**	942
Arnold Foundation awards (means-tested)	**1,180**	1,108
Bursaries (means-tested)	**1,880**	1,422
Contribution to School fees	**4,181**	3,582
Prizes and Exhibitions	**3**	5
	4,184	3,587

The total scholarships, grants, prizes and other awards paid for by Unrestricted Funds comprise:

	2023	2022
	£000	£000
Scholarships	**618**	576
Bursaries (means-tested)	**704**	-
Contribution to School fees	**1,322**	576
Total scholarships, grants, prizes and other awards	**5,506**	4,680

4. CHARITABLE ACTIVITIES - OTHER INCOME

	2023	2022
	£000	£000
Other educational charitable activities		
Registration fees	**147**	161
Courses	**28**	7
Other including tradesmen discounts and settlement fees	**-**	-
	175	168
Other ancillary activities		
Extra-curricular activities and trips (recharged)	**831**	558
Other including commissions	**-**	0
	831	558
Other trading activities		
School shop, museum, tuckshop and events	**1,519**	801
	2,525	1,527

5. TRADING INCOME AND EXPENDITURE

	2023	2022
	£000	£000
Non-ancillary trading activities-including trading subsidiaries	**2,994**	1,759

Investment in subsidiary companies

The School has three wholly owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited, all are registered in England and Wales. The revenue accounts, cash flow, assets and liabilities are consolidated in these financial statements. Full financial statements are filed with the Registrar of Companies.

Rugby School Enterprises Limited's principal activity is to supply third parties with the School's sports, catering and other facilities when these are not required by the School. The company covenants its taxable profits to the School.

Rugby School International Limited's principal activity is the provision to third parties of support to establish new premium international schools associated with Rugby School, in relation to using the Rugby School trademarks and know-how.

Little Grange Nursery Limited's principal activity is the operation of a nursery which opened after the year end in August 2022.

Rugby School Projects Limited's principal activity is the supply of design and build construction projects.

Additionally, the School has three further associated charities - the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund.

Details of the significant subsidiaries and associated entities at 30 June 2023 are:

	Company registration number	Shareholding		Net Assets at 30 June 2023	Turnover (incl inv't income)	Expenditure	Profit in the Year
		%	£	£	£'000	£'000	£'000
Rugby School Enterprises Limited	2264068	100	4	4	1,522	1,522	0
Rugby School International Limited	10238790	100	1	1	596	596	0
Rugby School Projects Limited	10742346	100	1	1	0	0	0
Little Grange Nursery Limited	13879790	100	1	1	997	982	15
The Arnold Foundation for Rugby School	4516482	-	-	-	1,692	1,683	9
Rugby School Combined War Memorial Fund	-	-	-	-	32	54	(22)

6. INVESTMENT INCOME

	2023	2022
	£000	£000
Rents receivable	**5,424**	5,216
Income on financial investments	**871**	698
Interest receivable on cash portfolio	**56**	50
	6,351	5,964

The rents receivable relates to leasehold property leases on the London Estate (note 13). The future cumulative minimum lease income under non-cancellable operating leases on the London Estate are as follows:

	2023	2022
	£000	£000
Cumulative Leasehold property income:		
Within one year	**4,575**	4,922
Between 1 – 5 years	**10,242**	9,563
Over 5 years	**16,563**	16,094
	31,380	30,579

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Note	Staff costs £000	Other costs £000	Deprec'n £000	**2023 Total £000**	2022 Total £000
Costs of Generating and Managing Funds:						
Trading costs		607	532	-	**1,139**	889
Fund-raising costs		218	224	-	**442**	506
Finance costs		-	1,022	-	**1,022**	963
Investment management Costs		-	2,146	-	**2,146**	2,041
		825	3,924	-	**4,749**	4,399
Charitable Activities						
School operations:						
Teaching		15,659	2,152	717	**18,528**	16,302
Welfare		1,128	5,510	197	**6,835**	5,915
Premises		3,874	4,741	3,457	**12,072**	10,324
Support (including ancillary trading expenditure)		2,485	3,269	-	**5,754**	4,659
Governance		90	242	-	**332**	315
School's operating costs		23,236	15,914	4,371	**43,521**	37,515
Scholarships, bursaries and prizes	3	-	4,184	-	**4,184**	3,587
Payment to Lawrence Sherriff School	9	-	705	-	**705**	681
Total Expenditure		24,061	24,727	4,371	**53,159**	46,182

Support costs are attributable to the charitable activity of the provision of education and include finance, human resources, information technology, marketing, secretarial and legal support.

8. EXPENDITURE

Total resources expended include the following amounts:

	2023 £000	2022 £000
Amounts accrued to advance fees	**9**	5
Governors' travel expenses (6 Governors)	**4**	28
Fees payable to the Charity's auditors for:		
• The audit of the Charity and Group accounts	**68**	58
• Tax services	**15**	4
• Pensions audit	**1**	1
• VAT advisory services	**19**	0
• Financial due diligence	**0**	2

9. PAYMENT TO LAWRENCE SHERIFF SCHOOL

Under the Rugby School (Transfer) Act 1906, as amended by the Rugby School Act 1922 and an Order of the Secretary of State for Education and Science dated 30 October 1968, an annual sum is payable to Lawrence Sheriff School, consisting of the income from an initial investment of £34,500 (market value at 30 June 2023 of £937,932 (2022: £865,452), plus one fifth of the remaining net annual income of the London Estate (before minor adjustments), plus £100. The total amount payable to Lawrence Sheriff School in respect of the 2022/23 financial year was £704,743 (2022: £680,905).

10. STAFF COSTS

Total Staff Costs:	**2023**	2022
	£000	£000
Salaries and wages	**19,346**	17,350
Social security costs	**1,831**	1,594
Pension contributions	**2,788**	2,526
	23,965	21,470
Benefits – health insurance contributions	**96**	131
Salaries and wages	**24,061**	21,601

Staff costs include redundancy and termination costs of £nil (2022: £nil) of which £nil remained outstanding at the year-end.

The average number of staff employed in the year was:

	2023	2022
	No	No
Teaching	**264**	250
Operations and Administration	**496**	453
Total	**760**	703

The School employs a significant number of part-time staff, many of whom are only employed for a few hours each week during term time.

Key Management Personnel

The earnings of the Key Management Personnel are determined by the Nominations Committee and for the year to 30 June 2023 were £1,906 million (2022: £1.873 million) including P11d benefits, employer national insurance and pension contributions. Key Management Personnel are generally included in the table below and now include Bilton Grange's senior leadership team in full.

10. STAFF COSTS *(continued)*

The number of employees whose emoluments, including P11d benefits but excluding employer national insurance and pension contributions, exceeded £60,000 on an annual basis were:

	2023	2022
	No	No
£60,000 - £69,999	**32**	24
£70,000 - £79,999	**13**	6
£80,000 - £89,999	**4**	7
£90,000 - £99,999	**4**	1
£100,000 - £109,999	**1**	2
£110,000 - £119,999	**1**	-
£120,000 - £129,999	**-**	1
£130,000 - £139,999	**1**	1
£150,000 - £159,999	**-**	-
£160,000 - £169,999	**2**	1
£230,000 - £239,999	**-**	-
£240,000 - £249,999	**-**	1
£260,000 - £270,000	**1**	-

42 of these employees (2022: 34) were members of a defined benefit pension scheme and employees 15 (2022: 7) were members of a defined contribution scheme at a charge of £118,284 for the year.

No Governors or persons connected with them received any remuneration or other benefits from the School or any connected organisation.

11. TAXATION

The School has charitable status and is thus exempt from corporation tax on primary purpose activities.

There is no UK corporation tax charge, in respect of the current or prior years, incurred by the trading subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited, Little Grange Nursery Limited or Rugby School Projects Limited.

12. FREEHOLD LAND & BUILDINGS, FIXTURES AND EQUIPMENT

	Parent Charity and Consolidated			
	Freehold land & buildings	**Assets under construction**	**Fixtures & equipment**	**Total**
COST	£000	£000	£000	£000
As at 1 July 2022	99,351	306	7,371	107,028
Additions	6,602	955	711	8,268
Transfers	1,125	(1,125)	-	-
Disposals	(40)	-	(158)	(198)
As at 30 June 2023	107,038	136	7,924	115,098
DEPRECIATION				
As at 1 July 2022	42,302	-	5,553	47,855
Charge for the year	3,690	-	680	4,370
Transfers	-	-	-	-
Disposals	(40)	-	(158)	(198)
As at 30 June 2023	45,952	-	6,075	52,027
NET BOOK VALUE				
As at 30 June 2023	**61,086**	**136**	**1,849**	**63,071**
As at 30 June 2022	**57,049**	**306**	**1,818**	**59,173**

Fixtures and equipment includes kitchen assets, purchased in line with the catering contract.

The net book value of equipment includes £0 relating to assets held under finance leases (2022: £0). A depreciation charge of £0 occurred in the year (2022: £0).

In addition to the assets recorded on the balance sheet, the School has a collection of works of art and museum exhibits, which it has acquired over many years, mostly as gifts. A physical inventory of these assets is maintained but since such assets are held for educational purposes and are not for sale, the Governing Body consider that they do not meet the definition of Heritage Assets in the financial statements and the cost of valuation outweighs any benefit gained. In the opinion of the Governing Body the depreciated historical cost of these assets would now be immaterial.

Capital Commitments
Capital commitments in the form of orders approved and authorised, at 30 June 2023 amounted to £1,914,403 (2022: £2,789,520).

13. FIXED ASSET INVESTMENTS

Parent Charity

	London Estate	Bilton Grange	Special Funds	Composition of Fees	Total
	£000	£000	£000	£000	**£000**
Balance at 1 July 2022	121,070	5,128	27,608	1,350	**155,156**
Additions	576	7	2,915	(1)	**3,497**
Cash balance movement	145	(7)	366	59	**563**
Disposals at net proceeds	(854)	(2,314)	(2,954)	(25)	**(6,147)**
Revaluations	(16,167)	167	3,010	(84)	**(13,074)**
Balance at 30 June 2023	104,770	2,981	30,945	1,299	**139,995**
Represented by:					
Freehold properties	98,500	-	-	-	**98,500**
Financial investments	5,261	2,981	29,771	884	**38,897**
Cash deposits	1,009	-	1,174	415	**2,598**
	104,770	2,981	30,945	1,299	**139,995**

Consolidated

	Parent Charity	Arnold Foundation	War Memorial	Total
	£000	£000	£000	**£000**
Balance at 1 July 2022	155,156	17,385	1,852	**174,393**
Additions	3,497	2,077	186	**5,760**
Cash balance movement	563	511	74	**1,148**
Disposals at net proceeds	(6,147)	(2,489)	(267)	**(8,903)**
Revaluations	(13,074)	2,213	238	**(10,623)**
Balance at 30 June 2023	139,995	19,697	2,083	**161,775**
Represented by:				
Freehold properties	98,500	-	-	**98,500**
Financial investments	38,897	18,865	1,985	**59,747**
Cash deposits	2,598	832	98	**3,528**
	139,995	19,697	2,083	**161,775**

The London Estate investments include property professionally valued by Farebrother, Chartered Surveyors as at 30 June 2022. The Governing Body's updated valuation of the property portfolio as at 30 June 2023 was obtained in consultation with the School's professional advisors and reflects the changes in the market conditions.

The London Estate investments includes £98.5 million property and £6.3 million in its managed equity portfolio.

13. FIXED ASSET INVESTMENTS *(continued)*

To fulfil the requirements of FRS 102, the Governing Body have included the properties in the financial statements at the open market valuation, though it is the intention of the Governing Body to retain the investment properties within the School's endowed funds (note 20) with only the income being used towards the School's charitable purposes. As described in the Governors' Report, Rugby School's share of the net income from these properties is used primarily to finance foundations, scholarships, bursaries and other allowances awarded by the School.

The gross rental income generated from the London Estate properties in 2022/23 was £5.1 million (2021/22 - £5.0 million).

The Estate is wholly owned by Rugby School. However, under the terms of the Rugby Lower School (Transfer) Act 1906 and of the Rugby School Act 1922, and as recorded in Note 9, one fifth of the annual net income from this Estate is paid to Lawrence Sheriff School in Rugby.

Special Funds comprise a number of different funds, the income and capital from which is restricted for specific purposes such as scholarships, grants and prizes.

14. DEBTORS

	Parent Charity		**Consolidated**	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Trade debtors	**2,014**	2,167	**2,648**	2,683
Taxation recoverable and accrued income from HMRC	**-**	-	**2**	-
Other debtors	**1,307**	2,410	**1,352**	2,706
Inter-group balances	**329**	100	**-**	-
Prepayments and accrued income	**2,049**	1,603	**2,059**	1,713
	5,699	6,280	**6,061**	7,102

15. CREDITORS: due within one year

	Parent Charity		Consolidated	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Finance lease creditor	**-**	-	**-**	-
Trade creditors	**3,036**	3,311	**3,148**	3,398
Taxation and social security	**584**	593	**606**	600
Other creditors	**1,534**	1,543	**1,538**	1,546
Inter-group balances	**-**		**-**	
Accruals and deferred income	**1,788**	1,875	**2,017**	2,156
Entrance fees and final term deposits	**1,097**	881	**1,117**	890
Advance fees	**818**	1,127	**818**	1,128
Advance fees via Scheme (note 17)	**414**	472	**415**	472
	9,271	9,802	**9,659**	10,190

In 2022 the School included an accrual of £160,000 to account for amounts likely to be due as historic underpayments of holiday pay the recent final judgment of the Supreme Court in relation to the Harpur Trust v Brazel case.

16. CREDITORS: amounts due after more than one year

	Parent Charity		Consolidated	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Finance lease creditor	**-**	-	**-**	-
Debt finance	**35,000**	35,000	**35,058**	35,000
Entrance fees and final term deposits	**3,311**	3,428	**3,310**	3,488
Advance fees via Scheme (note 17)	**499**	385	**499**	385
	38,810	38,813	**38,867**	38,873

17. FEES IN ADVANCE SCHEME

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

	2023	2022
	£000	£000
Between 2 to 5 years	**262**	132
Between 1 to 2 years	**236**	253
	498	385
Within 1 year (note 15)	**414**	472
Balance at 30 June	**912**	857

17. ADVANCE FEE PAYMENTS *(continued)*

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

	2023	2022
	£000	£000
Balance at 1 July	**857**	1,016
New contracts	**688**	449
Refunds	**-**	-
Amounts accrued to contracts	**5**	-
	1,550	1,465
Amounts utilised in payment of fees to the School	**(638)**	(608)
Balance at 30 June	**912**	857

18. PENSION SCHEMES

(a) Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,976,234 (2022: £1,857,626). There was £231,645 accrued in respect of employer and employee contributions payable at the year-end (2022 - £221,181).

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

18. PENSION SCHEMES *(continued)*

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and following a public consultation in 2021 the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations were completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has indicated that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

(b) Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973)

Composition of the Scheme

The School operates a defined benefit pension scheme, the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the School in trustee administered funds. The Scheme closed to future accrual on 5 April 2006. Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary.

Actuarial valuation

A full actuarial valuation was carried out at 6 April 2021 and showed the Scheme to be in deficit by £323,000; expressed as a percentage (assets divided by liabilities) the scheme was 95% funded on an 'ongoing basis'. The Actuary has advised that at 5 April 2022 the Scheme would be in surplus if assessed on a consistent set of assumptions reflecting market conditions at that date. Given this and the strong employer covenant the Trustees have agreed that it would be unnecessary to seek contributions from the School.

The next tri-annual valuation date is set to be as of 5 April 2024.

18. PENSION SCHEMES *(continued)*

The principal actuarial assumptions at the balance sheet date were:

	2023	2022
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions payment	5.00%	5.00%
Discount rate	5.22%	3.75%
Inflation assumption	3.68%	3.51%
Statutory rate of increase of pensions in deferment	3.68%	3.51%
Expected return on Scheme assets	5.22%	3.75%
Assumes life expectancy on retirement at age 60:		
Retiring today – males	26.5	26.4
Retiring today – females	29.2	29.0
Retiring in 15 years – males	27.7	27.6
Retiring in 15 years – females	30.4	30.2

The amounts recognised in the balance sheet are as follows:

	Market Value 2023 £000	Market Value 2022 £000
Fair value of Scheme assets	**5,690**	6,067
Present value of funded obligations	**(5,803)**	(6,370)
Deficit in the scheme	**(113)**	(303)

Change in the present value of the defined benefit obligation are as follows:

	2023	2022
	£000	£000
Defined benefit obligation at 1 July	**6,370**	8,409
Interest cost	**235**	173
Benefits paid	**(209)**	(190)
Actuarial losses/(gains)	**(593)**	(2,022)
Defined benefit obligation at 30 June	**5,803**	6,370

18. PENSION SCHEMES *(continued)*

Change in the present value of the scheme assets are as follows:

	2023	2022
	£000	£000
Fair value of scheme assets at 1 July	**6,067**	7,057
Employer Contributions		
Benefit payments	**(209)**	(190)
Expenses paid	**(20)**	(35)
Expected return on scheme assets	**223**	144
Actuarial gains / (losses)	**(371)**	(909)
Fair value of scheme assets at 30 June	**5,690**	6,067

Analysis of the amounts charged within the Statement of Financial Activities are as follows:

	2023	2022
	£000	£000
Interest on pension scheme liabilities	**(235)**	(173)
Expenses	**(20)**	(35)
Expected return on pension scheme assets	**223**	144
Total amount charged to the Statement of Financial Activities	**(32)**	(64)

Analysis of actuarial gains and losses:

	2023	2022
	£000	£000
Actual return less expected return on scheme assets	**(371)**	(909)
Experience gains and losses arising on the scheme liabilities	**(204)**	(5)
Changes to assumption underlying the present value of the scheme liabilities	**797**	2,027
Actuarial loss	**222**	1,113

Actual return on the Scheme assets in the period	**(£148,000)**	(£765,000)

18. PENSION SCHEMES *(continued)*

Future expected rates of return
The expected rates of return to apply from the valuation date forward are shown net of a 0.35% deduction to allow for investment management fees. The assumptions have been derived as follows:

- the return on bonds is set to be equal to the discount rate, less 0.35%,
- the net return on gilts is set equal to the yield on 15-year fixed interest gifts, less 0.35%,
- the net return on equities and property is set to be 3% above the return on 15-year fixed interest on gilts, less 0.35%;
- the return on cash is taken to be equal to the return on 15-year fixed interest gilts, less 0.35%,
- the return on other assets such as commodities and infrastructure has been set to be 3.75% above the 15-year fixed interest gilt yield, less 0.35%.

The School does not expect to contribute to the defined benefit pension scheme during 2022/23.

History of experience gains and losses:

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Present value of Scheme liabilities	**5,803**	6,370	8,409	8,886	8,285
Fair value of Scheme assets	**5,690**	6,067	7,057	6,337	6,730
Deficit	**(113)**	(303)	(1,352)	(2,549)	(1,555)
Experience gains /(losses) on the liabilities	**(204)**	(5)	34	33	(23)
Experience gains/(losses) on scheme assets	**(371)**	(909)	823	(363)	19
Actuarial gain/(loss)	**222**	1,113	1,240	(956)	(478)

(c) Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff
From 1 October 1997 to 30 September 2001, Rugby School operated a defined contribution pension scheme for certain non-teaching staff. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

With effect from 1 October 2001, the scheme was replaced by the Rugby School Group Stakeholder Pension Scheme. The School contributes double the employee contributions up to a maximum of 12% of pensionable pay. Employer contributions totalling ££1,149,243 (2022: £971,515) were paid in respect of this pension scheme for the year. This increase was in part due to the addition of Bilton Grange staff for the full year and also reflects changes due to the implementation of a salary sacrifice scheme during the course of 2022-23. At the period-end £114,007 (2022: £94,446) was payable in respect of employer and employee contributions to this scheme.

The assets of both schemes are held separately from the School in independently administered funds.

(d) Bilton Grange Stakeholder Pension Scheme for Non-Teaching Staff
From 6 January 2020, the School has operated a defined contribution pension scheme for certain non-teaching staff at Bilton Grange and those teaching staff who have opted into this pension scheme rather than being in the TPS. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

This scheme was ended January 2021 and the employees were transferred to the Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff. Employer contributions totalling £nil (2022: £nil) were paid in respect of this pension scheme for the year. At the period-end £nil (2022: £nil) was payable in respect of employer and employee contributions to this scheme.

The assets of all schemes are held separately from the School in independently administered funds.

19. ANALYSIS OF NET ASSETS

(a) Current year analysis of net assets between funds:

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2023 Total £000
Parent Charity					
Fixed Assets	-	-	63,071	-	**63,071**
Investments	112,964	14,468	11,263	1,300	**139,995**
Net Current Assets/ (Liabilities)	4,755	(329)	33,479	(933)	**36,972**
Long Term Liabilities	-	-	(38,424)	(499)	**(38,923)**
	117,719	**14,139**	**69,389**	**(132)**	**201,115**
Consolidated					
Fixed Assets	-	-	63,071	-	**63,071**
Investments	125,729	23,482	11,264	1,300	**161,775**
Net Current Assets/(Liabilities)	5,198	(319)	33,536	(933)	**37,482**
Long Term Liabilities	-	-	(38,482)	(499)	**(38,981)**
	130,927	**23,163**	**69,389**	**(132)**	**223,347**

(b) Prior year analysis of net assets between funds

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2022 Total £000
Parent Charity					
Fixed Assets	-	-	59,173	-	**59,173**
Investments	128,358	13,024	12,424	1,350	**155,156**
Net Current Assets/ (Liabilities)	5,013	318	36,289	(1,041)	**40,579**
Long Term Liabilities	-	-	(38,731)	(385)	**(39,116)**
	133,371	**13,342**	**69,155**	**(76)**	**215,792**
Consolidated					
Fixed Assets	-	-	59,173	-	**59,173**
Investments	139,206	21,412	12,425	1,350	**174,393**
Net Current Assets/(Liabilities)	5,546	345	36,333	(1,041)	**41,183**
Long Term Liabilities	-	-	(38,791)	(385)	**(39,176)**
	144,752	**21,757**	**69,140**	**(76)**	**235,573**

20. ENDOWED FUNDS

(a) Current year movement in endowed funds:

	Balance at 30 June 2022 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2023 £000**
Parent Charity						
London Estates: Property	118,720	-	-	-	(16,783)	**101,937**
London Estates: Equity	5,245	94	-	-	616	**5,955**
Lewis Benefaction fund	9,244	100	(399)	-	882	**9,827**
Bilton Grange	162	-	(164)	-	2	**-**
	133,371	194	(563)	-	(15,283)	**117,719**
Consolidated						
Arnold Foundation Awards	11,382	258	163	-	1,405	**13,208**
	144,753	452	(400)	-	(13,878)	**130,927**

(b) Prior year movement in endowed funds:

	Balance at 30 June 2021 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2022 £000**
Parent Charity						
London Estates: Property	106,221	-	-	-	12,499	**118,720**
London Estates: Equity	5,864	69	-	(69)	(618)	**5,246**
Lewis Benefaction fund	9,274	-	-	-	(31)	**9,243**
Bilton Grange	162	642	(642)	-	-	**162**
	121,521	711	(642)	(69)	11,850	**133,371**
Consolidated						
Arnold Foundation Awards	11,288	740	642	-	(1,289)	**11,381**
	132,809	1,451	-	(69)	10,561	**144,752**

London Estates

The London Estate consists principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial and residential rental income (see restricted funds). Endowed funds also include equity investments (see Total Return note 20c). In the year there was no application of total return to income (see detail in Total Return note 20c).

Lewis Benefaction Fund

The Lewis Benefaction Fund is an expendable endowment capital fund which generates income for the provision of scholarships and bursaries. The income from the fund is fully utilised for this purpose (see restricted funds) and the capital has not been expended.

Arnold Foundation Awards

The Arnold Foundation endowed funds includes £50 of permanent funds and the balance relates to expendable endowment funds which generate income for the financing of bursary awards to Rugby School. This fund is held by the Arnold Foundation for Rugby School. The income from the fund is utilised for this purpose (see restricted funds).

(c) Statement of Total Return

The School adopted a Total Return policy for its London Estate Endowed Non-Property Investment Funds only. This allows investment managers greater flexibility in managing funds within the agreed risk parameters. Unapplied total returns are the total returns on the investments (capital or income in nature), less monies paid out of the Endowed Funds.

The preserved value is protected with an annual CPI uplift and is based on a valuation date of 31 July 2009.

The Unapplied Total Return movements are:

	Preserved Value £000	Unapplied Value £000	Total £000
Brought forward:			
Preserved Value	5,055	-	5,055
Unapplied Total Return	-	110	110
Total	5,055	110	5,165
Movement in reporting period:			
Investment return: dividend/income	-	-	-
Investment return: gains/losses	-	616	616
Unapplied total return allocated to income	-	-	-
Unapplied total return allocated to capital	578	(578)	
Grant to Lawrence Sheriff School	-	-	-
Net movement in reporting period:	578	38	616
Carried Forward:			
Preserved Value			
Unapplied Total Return			
Total	5,633	148	5,781

21. RESTRICTED FUNDS

(a) Current year movement in restricted funds:

	Balance at 30 June 2022 £000	Incoming funds £000	Amounts expended £000	Transfer £000	Total Return t/f applied to income £000	Investment gains £000	**Balance at 30 June 2023 £000**
Parent Charity							
Special Funds:							
Common Investment Fund	10,963	160	(394)	-	-	1,278	**12,007**
Lewis Benefaction Fund	-	-	-	-	-	-	**-**
London Estate	1,654	5,216	(5,359)	(120)	-	-	**1,390**
School	725	46	(29)	-	-	-	**742**
	13,342	5,422	(5,783)	(120)	-	1,278	**14,139**
Consolidated							
War Memorial	1,878	32	(54)	-	-	237	**2,093**
General Charitable Trust	-	46	(36)	(10)	-	-	**-**
Arnold Foundation for Rugby School	6,537	774	(1,187)	-	-	807	**6,931**
	21,757	6,274	(7,060)	(130)	-	2,322	**23,163**

(b) Prior year movement in restricted funds:

	Balance at 30 June 2021 £000	Incoming funds £000	Amounts expended £000	Transfer £000	Total Return t/f applied to income £000	Investment gains £000	**Balance at 30 June 2022 £000**
Parent Charity							
Special Funds:							
Common Investment Fund	12,559	138	(353)	-	-	(1,379)	**10,965**
Lewis Benefaction Fund	-	66	(66)	-	-	-	**-**
London Estate	1,653	5,086	(5,157)	-	69	-	**1,651**
School	755	57	(78)	(8)	-	-	**726**
	14,967	5,347	(5,654)	(8)	69	(1,379)	**13,342**
Consolidated							
War Memorial	2,140	26	(53)	-	-	(234)	**1,879**
General Charitable Trust	-	1	(1)	-	-	-	**-**
Arnold Foundation for Rugby School	7,618	863	(1,095)	-	-	(850)	**6,536**
	24,725	6,237	(6,803)	(8)	69	(2,463)	**21,757**

Common Investment Fund
The Common Investment Fund consists of numerous funds, the income and capital being restricted for specific purposes. With the approval of the Charity Commission, there is a pooling system under which investments belonging to its restricted fund are pooled. The majority of the funds are restricted for the provision of scholarships, bursaries and prizes.

Lewis Benefaction Fund
The income from the endowed fund is fully utilised for the provision of scholarships and bursaries.

21. RESTRICTED FUNDS *(continued)*

London Estates

The London Estate endowment yields commercial and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four fifths which remain, the primary use is to fund foundations and scholarships. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Included within the London Estate Fund is a Reserve Fund for repairs, rehabilitation and reconstruction:

	2023	2022
	£000	£000
As at 1 July	**1,350**	1,350
Transfer from/to net income resources	**(120)**	-
As at 30 June	**1,230**	1,350

In accordance with an Order made by the Minister of Education on 15 January 1963, the Governing Body may transfer funds into a Reserve Fund for the reconstruction and development of the real property of the Foundation at Holborn (the London Estate). No funds were transferred out of restricted funds in the year (2022: no funds) which represents fulfilment of restricted capital projects.

War Memorial Fund

The War Memorial Fund makes awards to help the children of Rugbeians, who are in need of financial assistance, to attend or to remain at Rugby School. The bursaries are assessed and awarded by Rugby School with funding being granted by the War Memorial Fund.

General Charitable Trust

The Trust receives income from covenants and legacies which were established prior to the existence of the Arnold Foundation. The income is gifted to the School, usually to assist with specific capital projects. In the year there was a transfer of £46,000 (2022: £1,000).

Arnold Foundation for Rugby School

The Arnold Foundation fund is monies given to provide funds and future income for the provision of bursary awards to Rugby School and to Bilton Grange via the Earle Fund.

	£000
Expended by the Arnold Foundation in the year to 30 June 2023 in accordance with the wishes of the donors:	
Bursary awards	1,187
Unexpended balance of gifts and legacies as at 30 June 2023:	
Restricted funds to be utilised for Bursary Awards	6,745
Unrestricted funds in Arnold Foundation (but treated as Restricted for the Group) to be utilised for bursary Awards	186
	6,931

Fundraising costs in the year of £440,000 (2022: £506,000) were met by Rugby School.

22. UNRESTRICTED FUNDS

(a) Current year movement in unrestricted funds:

	Balance 30 June 2022 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2023 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	59,173	-	-	3,898	-	**63,071**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	282	-	-	-	-	**282**
RSE Fund	688	-	-	-	-	**688**
Bilton Grange designated	5,121	-	-	-	165	**5,286**
Bloxam Fund	11,199	(225)	(25)	-	850	**11,799**
General unrestricted funds:						
School operations	(7,081)	41,382	(42,540)	(3,888)	370	**(11,757)**
Pension reserve	(303)	-	(32)	-	222	**(113)**
	69,079	41,157	(42,597)	10	1,608	**69,257**
Consolidated						
Rugby School Enterprises	-	1,522	(1,522)	-	-	**-**
Rugby School International	-	596	(596)	-	-	**-**
Rugby School Projects	-	-	-	-	-	**-**
Little Grange Nursery	(15)	997	(983)			**-**
	69,064	44,273	(45,698)	10	1,608	**69,257**

(b) Prior year movement in unrestricted funds:

	Balance 30 June 2021 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2022 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	56,115	-	-	3,058	-	**59,173**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	283	-	-	-	-	**283**
RSE Fund	688	-	-	-	-	**688**
Bilton Grange designated	5,654	-	-	-	(534)	**5,120**
Bloxam Fund	12,292	(175)	-	-	(918)	**11,199**
General unrestricted funds:						
School operations	(3,543)	37,103	(37,424)	(3,050)	(167)	**(7,081)**
Pension reserve	(1,352)	-	(64)	-	1,113	**(303)**
	70,137	36,928	(37,488)	8	(506)	**69,079**
Consolidated						
Rugby School Enterprises	(7)	1,131	(1,124)	-	-	**-**
Rugby School International	-	749	(749)	-	-	**-**
Rugby School Projects	-	-	-	-	-	**-**
Little Grange Nursery	-	3	(18)	-	-	**(15)**
	70,130	38,811	(39,379)	8	(506)	**69,064**

22. UNRESTRICTED FUNDS *(continued)*

Fixed asset fund
The fund carried forward at the year-end represents the net book amounts invested in tangible fixed assets. A transfer of £3,898,000 was made into the fund (2022: transfer out of the fund £3,058,000) which represents the net fixed asset additions, disposals and depreciation for the year.

Building maintenance fund
Following an extensive survey of School properties, the building maintenance fund was established for maintenance priorities of the School's buildings over a five-year period. In the year £nil (2022: £nil was expended) was expended from the fund.

RSE fund
The funds gifted by Rugby School Enterprises Limited are to be utilised on projects which would benefit a significant proportion of the School's community and may be used for bursaries for exceptional students. £530,835 transfer was made of RSE surplus for the year (2022: £383,306).

Bilton Grange fund
With the charitable merger of Bilton Grange into the School, the non-endowment investments previously held in the name of Bilton Grange Trust Limited were designated by the Governors to be used for capital investment into Bilton Grange and its facilities. These funds will be used to support the construction of a hew boarding house at Bilton Grange.

Bloxam fund
The funds in the Bloxam Fund are a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books have been designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community. These funds are added to by various fundraising initiatives or donations from time to time.

School operations
General unrestricted funds are retained to provide working capital.

23. FINANCE AND LEASE COMMITMENTS

The School has the following minimum lease payments, due in relation to non-cancellable lease agreements:

	Parent Charity		**Consolidated**	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Payable within 1 year	**283**	283	**283**	283
Payable between 2 to 5 years	**221**	502	**221**	502
Payable after more than 5 years	**-**	-	**-**	-
	504	785	**504**	785

During the year the School maintained in place an annually renewable, unsecured, on-demand, £5,000,000 overdraft facility with National Westminster Bank Plc. The facility has remained undrawn during the year ending 30 June 2023.

23. FINANCE AND LEASE COMMITMENTS *(continued)*

On 30 June 2021, the School committed to a 40-year private issue for £35 million placed with MetLife, that closed and funded on 1 September 2021, due for repayment on 1 September 2061. Interest at 2.32% per annum is computed on a 30/360-day basis and payable semi-annually on 1 March and 1 September.

24. RELATED PARTY TRANSACTIONS

The children of staff and Governors may attend the School, subject to the normal entry procedures. In such cases, Governors pay School fees at the standard rates, but staff members receive a discount.

Robin Fletcher, retired as a Governor of the School in May 2022 and in the year ended 30 June 2023 was paid £4,000 in relation to the writing of a book to mark the 200th anniversary of Rugby Football. Nil was outstanding at year end.

Elevation Coaching & Consulting Ltd, of which Audrey Pantelis, a Governor of the School at the time, is a director, was paid £2,966 in relation to diversity awareness training of which £nil was outstanding at year end.

The Think Smarter group, of which Rohin Aggarwal, a Governor of the School, is a director, was paid £9,764 in relation to the Rugby School Online initiative of which £nil was outstanding at year end.

25. CONTINGENT LIABILITIES AND ASSETS

The School has been in a long-running dispute in relation to a former member of staff which has progressed to a tribunal. The findings of the tribunal were received after year end and were substantially in the School's favour. No provision has been made for a liability as of 30 June 2023 as there remains some uncertainty as to the potential outcome of this claim in relation to value.

The School has two further ongoing claims, one by parents of a former student who was unhappy with their experience at the School and one by a former employer who is claiming in relation to a workplace accident. No provision has been made for any liabilities for these claims at 30 June 2023 as there remains some uncertainty as to the potential outcome in relation to both value and timing.

RUGBY SCHOOL

England & Wales - Charity number 528752

Accounts

Rugby School

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Registered Charity Number 528752
www.rugbyschool.co.uk

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Governing Body	Appointed by
B J O'Brien, LLB **(2,3,4,5,6,7)** (Chairman)	Governing Body
R J Elmhirst LLB **(2,3,4,5,6)** (Deputy Chairman)	Governing Body
R Aggarwal, MA, MBA (joined 22 June 2022)	Governing Body
N Bacon FCA, CTA **(2,3,5,7)**	Governing Body
J C Barwell OBE **(2,3,4,7)**	Governing Body
C A Coates LLB **(8)** (joined 5 November 2021)	Governing Body
J Eastwood BA **(8)**	Governing Body
R C Fletcher FRSA, MBA, Mphi (resigned 23 May 2022)	Governing Body
A S Habib (joined 13 October 2022)	Governing Body
Prof C J Howe ScD **(1)** (resigned 3 July 2021)	Governing Body
H Jackson BSc (resigned 3 July 2021)	Governing Body
S Lebus, MA **(5)** (resigned 3 July 2021)	Governing Body
G V Lloyd-Jones (resigned 3 July 2021)	Governing Body
C Marten MA **(1,6,8)**	Governing Body
J Moreland MA, PGCE, NPQH **(8)**	Common Room
A Pantelis **(1)**	Governing Body
Rev Canon Dr M Pryce **(1)** (joined 1 September 2021)	Governing Body
General Sir T Radford KCB DSO OBE **(6)**	Governing Body
D Skailes BSC, FCA **(2,3,6)**	Governing Body
P Smulders, BA, MBA **(5)**	Governing Body
C Wills LLP **(5,7)**	Governing Body
G Woodward BA (resigned 16 January 2022)	Governing Body

Executive Head Master
P R A Green MA, PGCE

Chief Operating Officer and Clerk to the Governing Body
P A Nicholls MA, FCA

Deputy Executive Head
Dr N G Hampton MA, PhD, PGCE

Head Master of Rugby School
G Parker-Jones MA, PGCE

Head Master of Bilton Grange
G E B Jones MEd, BA, PGCE

Principal Address and Registered Office
Rugby School, The Bursary, 10, Little Church Street, Rugby, CV21 3AW

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Membership of Governing Body Committees (as of date of this report)

(1) Academic	(2) Finance, Audit & Estates	(3) Audit
(4) Investment	(5) International Development	(6) Nominations
(7) Arnold Foundation	(8) Risk, Compliance & Safeguarding	

Other Current Members of Governing Body Committees

W Assheton (2,3)	Dr C H Barnes (7)	Ms D W Batstone (7)	A Fox (7)
P Henderson (4)	C Howe (1)	S Lebus (5)	C T Lindsay (7)
M Mansell (2,3)	M D L Ponsonby (7)	M Ruffell (4)	F Salway (2,3)
A Stuart (1)	M Turner (7)	P Yates (4)	

(Relevant senior employees of the School are present in attendance at each Governing Body Committee but are not formally members)

Auditor

Crowe U.K. LLP
Cheltenham

Advisers

Bankers
National Westminster Bank plc, Rugby

Surveyors
Farebrother, London

Solicitors
Veale Wasbrough Vizards, Bristol

Principal Investment Managers
Quilter Cheviot Ltd, London
Partners Capital LLP, London
Veritas Investment Management, London

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2022

The Governing Body of Rugby School ("Governing Body"), who are the trustees of Rugby School including Bilton Grange (the "School" or the "Charity"), present their Annual Report and the audited financial statements of the School for the year ended 30 June 2022. The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)) and with the Charities Act 2011.

The School's Objectives

Charitable Objects
The provision of a broad liberal Christian education at a boarding and day school at the School for children from Rugby and neighbourhood and elsewhere, and by ancillary or incidental activities and other associated activities for the benefit of the community.

Statement of Values
The Charity's principal activity is the education and pastoral care of its students at Rugby School and Bilton Grange. All of its assets and its income and expenditure relate to that activity. The fundamental ethos of 'the Whole Person is the Whole Point' is everything we undertake at the schools to fulfil that principal aim.

The Charity's Development Plan includes a Statement of Values:

- The Charity operates all-round co-educational schools, where students are actively encouraged to develop their own individual skills and talents. Every child has something special inside them; it's our job to find out what that is.
- The Charity operates schools which value outstanding academic performance - but never at the expense of achieving excellence in other fields. In our experience, a hothouse isn't necessarily a place where many students will blossom.
- Rugby School and Bilton Grange are schools located in the Midlands, and we're often noted for our remarkably unpretentious atmosphere. But amongst students and teachers alike, you'll detect a fierce pride about being here.
- The schools have a strong sense of service to the community. We're blessed with some marvellously well-equipped facilities, and we think it's only fair we afford wider access to them whenever we can.
- We also think it's fair to give children a chance to come here who couldn't otherwise afford to do so.
- The Charity operates true 7-day a week schools with a strong boarding ethos. The place doesn't empty at weekends for the simple reason that there's so much going on here.
- Rugby School and Bilton Grange are schools that love to innovate and try out new things. Just because 'it's never been done before' doesn't mean we shouldn't give it a go now.
- Without being over-pious about it, the School is a Christian foundation, where diversity, tolerance and understanding are taught and differences celebrated with just the same skill and dedication as English and Maths.
- Rugby School has a strong House structure, and a long tradition of in-house dining. This means there's an unusual emphasis on individual pastoral care, so being here really is the next best thing to being back home. Bilton Grange, although smaller, operates in exactly the same way.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2022

The schools consistently strive for all-round excellence. They recognise that there are many fundamental qualities which are not examinable: curiosity, shrewdness, initiative, leadership, an awareness of beauty, a sense of humour, a sense of responsibility and a gift for friendship, and that these and other basic qualities need to be developed in an institution that regards itself as educational.

The Governing Body consider that the schools provide an environment where each student is encouraged to develop and fulfil his or her potential, thereby inspiring a desire to contribute to the wider community.

Objectives for the Year

The Governing Body set the following aims for the academic year 2021/22:

- to maintain the School's commitment to high academic standards providing teaching in person and remotely;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation, Lawrence Sheriff and others) to ensure that access to the School is as wide as possible;
- to maintain the standards of pastoral care through the implementation of a pastoral rolling plan;
- to continue to provide and enhance the range of co-curricular activities to fulfil our ethos of 'Whole Person Whole Point';
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to improve the schools' facilities and to protect the historic environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout both schools;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment.

Strategies to achieve Objectives

The School's strategies for achieving its objectives were to:

- continue to review the academic curriculum to ensure that it is both broad and challenging; at Bilton Grange this means maintaining the traditional Common Entrance syllabus in the core subjects while devising something more innovative in the other subjects;
- continue to subscribe to independently set and assessed tests at age 13 and on entering the sixth form, which produce data which helps evaluates performance at GCSE and A levels. Rugby School uses this data to assess value-added performance, against which a summary of outcomes is prepared annually for the Governing Body;
- continue to use academic rolling development plans across the schools and review these annually through department review meetings;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- at Rugby School, continue to use a rigorous Personal Development Review (PDR) process involving the observation of lessons and the close scrutiny of all departments; at Bilton Grange, introduce a new, similar PDR system that focuses on a mentoring approach;

- maintain the House structure, which continues to be one of the defining features of life at Rugby School;
- at Rugby School, provide enhanced CPD and research opportunities (learning awards) for all staff, including learning awards, a Pastoral Leadership Qualification through HMC and lunchtime INSED opportunities;
- at Bilton Grange, also provide enhanced CPD opportunities including new pastoral 'listener' training and a 'mental health first aid' qualification;
- at Rugby School, enhance the process of Levee appointments and enhancing prefect training, including a programme of Graydin coaching;
- increase the number of co-curricular, student-led opportunities and establish a specified student-led enrichment hour in the Scheme of Hours;
- develop further vocational societies;
- provide appropriate high quality educational facilities;
- offer opportunities to day students through the Lawrence Sheriff Foundation awards and bursaries;
- launch the Earle Fund at Bilton Grange as a sister programme to the Arnold Foundation, to offer fully-funded places to children in Bilton Grange's Upper School;
- identify suitable candidates for Earle Fund and Arnold Foundation funded places at the schools through links with partner charities and schools in the maintained sector and working with The SpringBoard Bursaries Foundation;
- continue to emphasise the role of the chaplaincy;
- extend the Rugby Schools Group reach by opening a nursery on the Bilton Grange site.

Charitable Merger of Bilton Grange Preparatory School into Rugby School

On 6 January 2020, the assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger. Bilton Grange Prep School is a co-educational day boarding nursery, pre-prep and preparatory school for students aged from 3-13 years old. It operates a 3+ Nursery called The Nest, a Pre-Prep Department up to Year 3 and then a Prep Department up to sixth form (Year 8).

Review of the Year's Achievements and Performance

Principal activities of the year

Rugby School has 13 boarding houses and two day houses for 13–18 year old students. Bilton Grange is a predominantly day school for students aged from 3–13 years old, however it also has a boarding house for boys and a boarding house for girls, which take pupils from Year 3.

The average number of students in Rugby School during the year was 866 (2021: 842). The total number of boarders averaged 668 during the year, which maintained the boarder/day ratio at approximately 80/20. The average number of students of Reception age up to sixth form in Bilton Grange was 351 (2021: 305) of whom the average number of full and weekly boarders was 52.

The Schools' activities and strategy over the year have continued to support each School's Development Plans. Rugby School has maintained its high academic performance and its position as one of the leading co-educational boarding schools in the UK and the world.

Educational Performance

The exam results for summer 2022 were as follows, in part reflecting the national trend of a move closer to the historic averages, as the exams away from teacher assessed grades which were used nationally in summer 2021:

All figures in percent	2022	2021	2020	2019	Eng. 2022	Eng. 2021
A Levels (including Pre-U)						
A* - A	67.6	83.3	70.5	63.8	35.8	44.3
A* - B	86.1	95.6	90.8	85.4	62.2	
A* - E (pass)	100.0	100.0	100.0	100.0	98.4	
GCSE						
A* / 9 - 8	65.6	77.7	66.4	61.9		
A* - A / 9 - 7	83.0	91.7	85.9	77.0	26.3	30.0
A*- B / 9 – 6	92.9	97.7	95.5	86.8		
A*- C (pass) / 9 - 4	99.6	100.0	100.0	97.7	67.3	79.1

As previously noted, both schools aim to offer far more than a strong academic performance. The Governing Body and staff place particular importance on robust and effective systems and processes for the pastoral care, support and guidance of our students.

The schools continue to offer a very broad range of cultural, artistic, sporting and musical opportunities as well as involving its students with the outside community, especially in collaboration with social services and through partnerships with local secondary schools. Some of the principal achievements of the schools were:

- The schools opened again in the Advent Term (September) 2021 free of many of the previous restrictions advised by the DfE, but with an awareness that certain restrictions may have been required at any time. Nonetheless, the schools enjoyed a year largely free of the restrictions imposed in response to COVID-19.
- The schools embedded a new laptop service for students in year 7 and above enhancing safeguarding and leading to a largely paperless approach to the filing of student work;
- Rugby School reformed its approach to reporting to parents about their child's progress, the new system providing more granular and precise information in a more engaging format;
- Excellent A Level and Pre-U results meant that admittance to universities remained strong, with almost all students progressing to university directly or following a gap year;
- Outstanding results in academic competitions e.g. over 100 awards in UKMT Senior Maths Challenge, Multiple Gold Awards in Biology, Chemistry, Mathematics, Linguistics and Physics Olympiads, and members of the Upper School winning and highly commended in Oxbridge essay prize competitions;
- Teaching of the International Baccalaureate Diploma Programme commenced as of September 2021 and has now entered its second year with the first examinations set for Summer 2023;
- A Community Action Programme remained in place, that enabled students to volunteer on different days of the week to participate in a wide range of community-based activities;
- Rugby continued the redesign of its PSHE and RSE provision to give greater emphasis to developing student thinking and understanding of the perspectives of people who are different from themselves and to encourage the further growth of our inclusive and sensitive culture;

- Students from Bilton Grange won 14 scholarships (academic, sport, drama, music and DT) as they moved on to a range of public schools with the majority of Bilton Grange's leaving sixth formers and scholars progressing to Rugby;
- A full range of sport, music and dramatic opportunities was provided at Bilton Grange. A full fixture list was back throughout the year for a range of teams in a variety of sports while large numbers of children passed graded music exams and LAMDA acting exams;
- With a new Head in place at Bilton Grange, internal and external research was conducted to understand attitudes towards the academic, co-curricular, pastoral and boarding life of the school;
- Bilton Grange was delighted to see its Pre-Prep shortlisted for the Independent Schools of the Year Awards 'Pre-Prep of the Year Award' in 2021; the Nest provision was also nominated for the Muddy Stilettos Awards 'Most Creative Through Play' Award;
- Bilton Grange successfully passed its ISI Regulatory Compliance Inspection in March 2022 and Rugby School successfully passed its Focused Compliance and Educational Quality Inspection in September 2022 with headline judgments of "excellent" in all of the Key Findings;
- Across Rugby and Bilton Grange, all staff participated in a series of training sessions aimed at further developing our inclusive teaching and working culture;
- In 2021/22, 14.1% of Rugby School's students received concessions through Rugby School's Scholarships, Lawrence Sheriff Foundationships and Arnold Foundation schemes. These awards entitle students to financial assistance up to 100% of fees and in some cases extras, subject to parental means testing;
- During the year, financial support towards the Rugby School fees was thereby provided for 347 students, representing 40.1% of students in Rugby School, including a significant number of students in receipt of a bursary for the full value of the School fees. A further 57 students at Bilton Grange received some form of financial support representing 16.1% of the students in Bilton Grange;
- We are particularly proud of our continued efforts to build on and develop student mentoring for Arnold Foundation and now Earle Fund students as part of our support for them.

Co-curricular highlights of the year at Rugby School

We were nominated by Talk Education at their 'Awards for Innovation in Education 2022' in the category of 'inspiring co-curricular activities'. This again highlights that our co-curricular offering is amongst the best in the country thanks to a team of energetic staff who passionately believe in developing the whole person.

Rugby 360

The Community Action programme was re-launched as Rugby 360 immediately before the pandemic in 2019 and even though Covid had a significant impact upon its launch year, 2021-22 saw it develop into a thriving pillar of Rugby School's co-curricular programme. There was a focus on participation and engagement from all pupils in the XX to D Block and staff with service given by those who go into the community but also by bringing the community into Rugby School. It is a testament to its importance that we now have 550 pupils engaged in service each week.

Partnership work in the Community Action programme now involves over 20 local state schools for children of both Primary and Secondary age. This includes the traditional First Schools' Day programmes but also newer activities such as theatre in education, and our highly successful after-school clubs programme. 2021-22 saw over 500 local state school pupils visit our site to engage in a 6-week curriculum enhancement afterschool club, led by Rugby School pupils. This sessions were offered in English, Maths, The Sciences, Sport, Modern and Ancient Languages.

Programmes that came to the fore during the Covid years continued, such as our partnership with the EdClub in the Huruma Slum (Kenya) – this evolved in 2022 as we started to send educational resources over to be used by the young people that we Skype each week with.

Foodbanks have once again been prominent and it was estimated that over 5,000 items of food were donated by Rugby School pupils in 2021-22, through this Rugby 360 initiative. Partnership worked continued with the clubs and options programme at Bilton Grange.

Duke of Edinburgh

Over 200 students completed their Bronze and Gold Duke of Edinburgh expeditions in June/July 2022 with 40 pupils completing their Silver expeditions during the October 2021 holiday. This enabled us to catch up on the expeditions postponed during the summer of 2020 due to the pandemic. We are now in a position where our expedition cycle can run in a normal pattern as was the case pre-Covid.

105 students achieved their Bronze Award in 2021-22, 20 completed Silver, and 13 finished their Gold Award. It was estimated that Rugby School donated 3,614 hours of voluntary service to the local community through the volunteering aspect of the Award Scheme, and they placed a social value of these hours as £15,720.

Music

Numbers in the Rugby School Choir have increased, with 69 girls and 34 boys participating. The quality of the chamber music continues to grow, and the Shostakovich and Brahms concerts from the Festival on The Close are good examples of this. The Blue Note society goes from strength to strength with strong numbers and a wider range of Rock, Pop and Jazz acts on show.

Four of the six prize winners of the national Young Organists' Competition 2022, including winners of all three categories, were Rugby School pupils. An E-Block pupil is being mentored by Hans Zimmer and we have one pupil in the final of the Young Chorister of the Year programme. The chorister programme was launched at Bilton Grange in September 2022 with 34 students signed up to the programme being supported by pupils and staff at Rugby School.

Performing Arts

The 'Festival on The Close Service Day' returned as part of the festival on the 30th of June 2022. Over 1,000 Primary School pupils visited the site on that day to participate in either the Big Sing or to engage in workshops led by Rugby School pupils. Rugby School pupils finished the year by delivering bespoke workshops to the primary school pupils who visit. There were workshops involving community scientists, linguists, sports leaders and art and design pupils. As part of the outreach of the day we worked with the Royal Birmingham Conservatoire Leap ensemble and the Birmingham Royal Ballet.

The Picnic on The Close lunchtime coincided with a performance from Michael Rosen which was well received by the 1,000+ audience. A supplementary part of the programme saw students from Rugby School leave the campus and head to a variety of destinations to engage in community work outside of school. Students were managing bracken and dry stone walls in the peak district, clearing canals in Leamington, restoring furniture at Packwood House and Baddesley Clinton as well as working on some eco-projects at Stanford Hall.

A group of 7 LXX pupils took the play "7 Seventeen-Year-Olds in a Screwed-Up World" to the Edinburgh Fringe Festival for 13 days, playing to 7 sell-out audiences, with a total audience figure of over 400 people.

Sport

Sport continues to remain front and centre at Rugby, and it is particularly gratifying to see the growth of Girls' sports. This was epitomised by the Girls' 1st XI reaching the finals day of the inaugural 100 ball competition in the summer of 2022. Expansion of sport will continue in 2022-23 with girls' rugby and basketball being introduced with the first fixtures for basketball scheduled in Advent 2022 and girls' rugby scheduled to get their first run out in Lent 2023.

House sport continues to thrive at Rugby, and we saw fierce competitions in netball, hockey, soccer and rugby football in 2021-22. The number of pupils on academy pathways increased, and it was exciting to see one of our XX pupils act as the vice-captain for England in the U19 T20 World Cup. The School benefited from a partnership with Clive Woodward's Apex 2100 resort, enabling the XV to be trained England RFU coaches and upskilled by sports psychologists, nutritionists and RFU referees. The tour contained no matches as was designed to educate the students on effective training methods.

Levée

The new Levée was appointed just after Easter. Six new enthusiastic LXX pupils started as the Co-curricular Levée. They have chosen to focus on equality, communication, and celebration as their objectives for their year in office. They have already looked to make the clubs and societies fair more inclusive, driven the role of girls' sport within school, introduced a celebrate it button on Lander to share successes amongst their peers and improved community feeling within both Music and Performing Arts by introducing mentoring schemes.

Plans for Future Years

The Governing Body continues to pursue the School's general objectives as set out earlier. The Governing Body has also set the following aims for the academic year 2022/23:

- to maintain the School's commitment to high academic standards;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to develop the provision at Bilton Grange Preparatory School as a core part of the Rugby Group of Schools;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation and Lawrence Sheriff) to ensure that access to the School is as wide as possible;

- to develop a plan for outstanding and forward thinking emotional and physical health and well-being vision for 2023;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to develop and strengthen the 'Whole Person Whole Point' brand using positive and inspiring examples to illustrate our ethos in action;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to provide outstanding facilities that are safe, secure and inspirational places to live and work in;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment;
- to continue to explore opportunities for on-lin education, both commercially and for internal use.

Strategic development plans are presented to and reviewed by the Governing Body at least annually.

Public Benefit Objectives

In setting the School's objectives and planning its activities the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Widening access to the School

The Governing Body is conscious that the schools must remain accessible to talented children, irrespective of parental means. This was the main driving force for the launch of the Arnold Foundation for Rugby School in late 2002 and it celebrated its eighteenth anniversary of funding students in the School during the year. As of September 2022, 166 students and former students had benefited from support provided by the Foundation since 2004. The Governing Body thanks all the donors who have contributed to this result and is delighted that there were 28 Arnold Foundation funded students at the schools during 2021/22. In September 2022 the number of students in the schools who are funded by the Arnold Foundation is 29.

Long before the launch of the Arnold Foundation for Rugby School, the School funded from its endowed and restricted funds a large number of scholarships, bursaries and concessions.

The Governing Body is determined to ensure that these are directed to cases of greatest need; therefore scholarship and foundation scholarship awards are initially for a maximum of 5% of fees, such scholarships being, however, augmentable (up to 100% if necessary) based upon an assessment of parental means.

Bursaries policy

The School's policy is to award scholarships on the basis of an individual's educational potential. The School provides bursaries and augmentations, up to 100% of fees subject to means-tested assessments, to those students whose education may be at risk due to financial hardship or to make places available for deserving students from families who might otherwise not be able to afford school fees.

The total cost of scholarships, bursaries and augmentations during the year was £4.7 million (2021: £4.4 million) for the School including those of Bilton Grange.

Approximately a third of students receive awards. Awards entitle students to financial assistance up to 100% of fees, subject to parental means tests.

Contribution to local schools

One fifth of the annual net income from the London Estate totalling £0.68 million (2021: £0.67 million) was paid to our neighbour, Lawrence Sheriff School, which operates in the state sector.

Community partnerships and services

The School aims to be a good neighbour in its local community and to develop mutually beneficial partnerships wherever possible.

Such initiatives have included those detailed above in the Review of the Year's Achievements and Performance as well as:

- members of staff contributed their time voluntarily to a number of charitable causes such as assisting in the running of the Bradby Club, the Rugby Portobello Trust, and the Lawrence Sheriff Almshouses as well as acting as governors of a number of maintained schools;
- the School opened its sports and other facilities to many local individuals and organisations (including other schools) charging rates below those applying to commercial businesses, sometimes providing facilities free of charge;
- both Rugby School and Bilton Grange's facilities are provided free of charge for a number of charitable fund-raising activities including school sports days, concerts, plays, art exhibitions local sporting organisations; and
- numerous local choirs and orchestras have held rehearsals and concerts in a number of School venues during the course of the year and the School has also hosted several events involving local schools.

Fundraising

Members of the School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and the School. Neither the School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

The School is registered with the Fundraising Regulator and operates according to the Code of Fundraising Practice.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2022

Group Structure

The School's consolidated report and financial statements include the activities and results of its wholly-owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited, Little Grange Nursery Limited and Rugby School Projects Limited and also of three associated charities – the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund. The trustees and directors of these associated charities and companies are all appointed by the Governing Body of Rugby School.

Rugby School Enterprises Limited
The principal aim of this trading subsidiary is to generate income from the use of the School's facilities when not required for their principal educational purpose, and particularly during holiday periods. The company operates language and other courses, operates the School shop and also runs a Sports Centre which is open to the public when not being used by the School. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Rugby School International Limited
The principal activity of the company is the provision of support to third parties to establish new premium international schools associated with Rugby School, in relation to using the School's trademarks and know-how. The company's distributable profit for the year is gifted to the School to be used for its principal activity.

Little Grange Nursery Limited
The principal activity of the company is the commercial provision of a nursery for children aged 6 months to 5 years and it received its Ofsted Registration in the Summer of 2022 before opening at Bilton Grange in August 2022.

Rugby School Projects Limited
This subsidiary company supplies design and build services and in March 2019 completed the construction of a new boarding house for the School. The entity is planned to be active during the planned construction of a new boarding house at Bilton Grange over the coming years.

The Arnold Foundation for Rugby School
The Arnold Foundation for Rugby School (the Arnold Foundation), an associated company that is also a registered charity, number 1095856, has the principal aim of raising funds for more bursary awards, widening access to the School, so that more talented people may benefit from a boarding school education at Rugby, irrespective of their parents' ability to pay the fees.

The Rugby School General Charitable Trust
Prior to the 2002 incorporation of the Arnold Foundation for Rugby School, this trust (also an associated entity) was principally engaged in raising funds from supporters of the School, usually to assist with named capital projects. From 2002, activity in this Trust has been limited to the receipt of income from covenants and legacies that were established before the Foundation's existence and for fund-raising activities not conducted through the Arnold Foundation.

The Rugby School Combined War Memorial Fund
Originally established in honour of those members of the Rugby School family who fell in the two Great Wars, this trust (an associated entity) uses its investment income to fund scholarships or bursaries awarded to the children of Rugbeians who meet the criteria for financial assistance to attend or remain at Rugby School.

The Trustees have expanded the Fund's objects by way of a Charity Commission Scheme in order to allow it to also support the children of those working in the emergency services and the NHS.

Financial Review

The School endeavours to ensure financial stability and continuing solvency year on year so that it can pursue its educational aims and objectives. Rugby School's management continues to recognise the importance of strong cost control, seeking to contain cost increases as much as possible while ensuring that the School continues to deliver first class education and pastoral care.

The School's charitable activities continue to be the main source of the Charity's consolidated income and expenditure.

The School's operations for the year ended 30 June 2022 resulted in net incoming funds from operations of £318,000 (2021: a net outgoing figure of £744,000), after charging £3.96 million (2021: £3.74 million) for depreciation on the School's property and equipment, but before pension revaluation adjustments under FRS 102.

The consolidated net incoming resources for the year, were £6.8 million (2021: £14.6 million) which, in addition to the School's operating surplus, included:

- the Arnold Foundation for Rugby School received gifts and legacies as endowed funds of £1.4 million and as restricted funds of a further £0.6 million during the year;
- a net transfer of £2.7 million from the London Estate, after the payment of the one-fifth share to Lawrence Sheriff School;
- other restricted funds in the Statement of Financial Activities include the School's Special Funds, the General Charitable Trust and the War Memorial Fund, which have generated combined net income (before realised and unrealised investment gains) of £0.1 million in the year, before providing for scholarships and bursaries;
- £4.68 million (representing 12.5% of gross fees) was used to fund scholarship and bursary awards. Assistance towards payment of the fees in this way was provided to a total of 354 students across Rugby School and Bilton Grange.

Including the year-end revaluation on investments, which are substantially either restricted or endowment related, and the pension scheme actuarial revaluation, there was a net increase in the Charity's funds for the year of £7.9 million (2021: £15.9 million) as the property investments in the London Estate saw an increase in value after being somewhat depressed due to the Covid-related lockdowns.

Balance Sheet

The movement of funds for the year generated total consolidated funds of £236 million standing to the credit of the School as at 30 June 2022. The underlying assets and liabilities are set out in the Balance Sheet and further analysed in the notes which accompany the financial statements.

Funds

The results of School operations (fees and related income less expenditure to administer, maintain and develop the School) are identified separately within the body of the financial statements. The use of net funds generated by this activity is unrestricted.

Endowed funds are predominantly represented by the London Estate, consisting principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial, retail and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four-fifths which remain, the primary use is to fund foundations, scholarships and bursaries. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Restricted funds can only be used for specified purposes and, accordingly, the School accounts separately for such assets, and for the income and expenditure related to them. The Consolidated Statement of Financial Activities further analyses these restricted funds as Special funds, consisting principally of fixed interest bearing securities and holdings in investment trusts and equities, many of which arose originally from bequests for specific purposes, such as scholarships, bursaries and prizes. The annual net income from such funds is used exclusively for the specified purposes, with any unallocated amounts being carried forward for the specific purposes in future years.

Other restricted funds consist primarily of gifts and legacies received through the Arnold Foundation for Rugby School, but also through the General Charitable Trust and the War Memorial Fund (see above). Gifts from the General Charitable Trust are utilised in the period. The carried forward balance of other items on the Statement of Financial Activities relates to the Arnold Foundation for Rugby School and the War Memorial Fund (see note 21).

Reserves Policy

The Governing Body has moved to an EBITDA based objective. The School does not expect to borrow money to cover operational requirements other than to cover short-term timing issues. The School has issued a £35 million private placement in order to fund various capital expenditure programmes in view for the coming five years.

It is the intention of the Governing Body that, on a continuing basis, the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities. In those years where there are free reserves, the School may consider advancing the capital expenditure programme or designating funds for an identified programme of capital maintenance and investment.

In other years where the School may have negative free reserves, the School aims to manage the day to day working capital requirements through careful management of short term liquid resources.

The policy on the unrestricted reserves ensures that a proportion is allocated as designated funds, established in respect of:

- Fixed assets fund – the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities.
- Building maintenance fund – used when the School sets aside additional monies towards the costs of maintaining the School's facilities as part of its development plans.
- Rugby School Enterprises fund – the funds gifted to the School by the trading subsidiary are to be utilised on projects determined by the Governing Body which benefit a significant proportion of the School's community. During the current year this encompassed the provision of additional scholarships.
- Bilton Grange fund – this fund relates to investments transferred to the Charity under the charitable merger in January 2020. The investments have been designated for usage in the planned projects at Bilton Grange.
- Bloxam Fund – The funds originated from a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books which were designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community.

The financial statements indicate that the majority of the school's unrestricted funds of £69 million (see note 22) are invested in premises and equipment of £59 million, £17 million in other designated funds as described above, leaving general unrestricted funds, or free reserves at a deficit of £7.1 million before any pension provision. Given the financial strength of the School, in particular the endowment investments, the Governing Body is satisfied that this is adequate.

The Governing Body prepares a detailed long-term plan having regard to the School's financial and physical resources, so that at all times the School retains the strength and flexibility to respond to contingencies and to longer term needs that may not be currently foreseen. Accordingly, the Governing Body consider that the School and the group have adequate resources and flexibility for the foreseeable future and consequently the adoption of the going concern basis is appropriate in preparing the financial statements. The reserves policy is monitored by the Finance & Audit Committee and is reviewed annually.

Fundraising Performance
The Arnold Foundation received £2.0 million of donations and legacies in the year. These funds will be applied for the specific aim of providing means-tested bursary awards to those students whose parents would not otherwise be able to afford an education at Rugby School.

Investment Performance
In relation to its financial investments, the Governing Body aims to optimise the returns generated by the investments such that, over the long term, the capital values are, at the least, maintained when adjusted for inflation.

This objective will be achieved if the benchmark, determined for each fund, is exceeded by at least 0.5% per annum on a rolling 3, 5 and 10 year period, provided the total return targets are also met.

There are no specific restrictions other than that the investments should be suitable for trusts. The School's investment performance is monitored regularly against objectives by the Investment Committee.

Governance and Management

Charity Governance Code

The Governing Body understands that effective governance is critical in running the charity and uses the Charity Governance Code as an important tool in assisting with the continuous review of governance of the Charity.

Governing Body
The School is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922.

Appointments, Recruitment and Training of Governors

Under the statutes, there is one nominated Governor and other members are appointed by the Governing Body itself. The Governors and principal officers are named on page 3 and 4 of this report.

Ms G Woodward resigned as governor on 16 January 2022 and Mr R Fletcher resigned as a governor on 23 May 2022. The Reverend Canon Dr Mark Pryce was appointed as a governor on 1 September 2021. Ms Caroline Coates was appointed as a governor on 5 November 2021. Mr R Aggarwal was appointed as a governor on 22 June 2022. Mr A Habib was appointed as a governor on 13 October 2022.

Where the Governing Body itself co-opts a new member, this follows a selection process and a recommendation from its Nominations Committee. Governors are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Governors visit the school for induction, receive key information relating to the charity and sign an appointment letter. All Governors are encouraged to attend the annual strategic planning meeting which often incorporates trustee-training issues.

The Governing Body's voluntary code on retirements provides that, with the exception of the Lord Lieutenant and the Chairman and Deputy Chairman, members of the Governing Body do not normally serve more than ten years, unless, in exceptional circumstances, the Governing Body determines otherwise.

Governance

The Governing Body is responsible for the overall management and control of the School and meets at least once a term. Its principal responsibilities are to:

- ensure that the School is run in accordance with its charitable objectives and that all the functions of the school are authorised by the powers provided by its statutes and regulations and by charity law;

- act in the best interests of the School and current and future beneficiaries at all times;
- appoint the Executive Head Master and after consultation with the Executive Head Master, the Chief Operating Officer, the Deputy Executive Head, the Head Master of Rugby School and the Head Master of Bilton Grange, the Deputy Head(s) and the Assistant Head(s) and approve their terms and conditions;
- in consultation with the Executive Head Master and his management team, set the strategy and policies by which the School will be run;
- approve the Development Plan;
- ensure that the School meets the objectives that the Governing Body sets from time to time;
- control finance by approving realistic budgets and longer-term plans and by approving systems and safeguards that optimise the chances that they will be achieved;
- ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- understand the extent of duties in relation to risk management and to legal compliance and be satisfied that there is a rolling programme for meeting them;
- ensure that competent professional advice is taken when necessary;
- appoint a Chairman and Deputy Chairman;
- appoint members to its committees; and
- review and approve the terms of reference and the output of these committees.

Organisational Management

Governing Body Committees

The Governing Body has appointed the following committees (shown alphabetically) of its members to oversee the activities set out below. Membership is supplemented by the attendance of some of the principal officers of the School and by others with appropriate specialist knowledge. All these committees report regularly to the Governing Body and their terms of reference are reviewed annually.

- Academic Committee: Review of academic policies and performance.
- Arnold Foundation Committee: Advise and support the trustees of the Arnold Foundation and the Governing Body in raising funds for the Arnold Foundation.
- Risk, Compliance and Safeguarding Committee: Legislation and inspection compliance, risk management.
- Finance, Audit and Estates Committee: Financial policy and general operations relating to the running of the School.
- Audit Committee: The Audit Committee is effectively a sub-committee of FAE and addresses financial reporting, systems and controls.
- International Development Committee: Formulation of the strategy for Rugby School's international development and recommend international projects.
- Investment Committee: Management and administration of Special Funds and all other non-property investments. The Governing Body have agreed that the School's investment portfolio be managed on a discretionary basis by its Investment Managers subject to policies and objectives that the Governing Body establishes from time to time having regard to the Investment Committee's recommendations.

- Nominations Committee: Review of Governing Body membership, including recommendations of individuals who might be co-opted to the Governing Body.

Membership of these committees is shown on pages 3 and 4.

Key Management Personnel

The Governing Body delegates the daily management of the School to the Executive Head Master. The Executive Head Master is aided by other Key Management Personnel as detailed below.

Remuneration of the Key Management Personnel is set by the Nominations Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contributions to the School's success.

The Executive Leadership Group comprised the Executive Head Master, the Chief Operating Officer, who is also Clerk to the Governing Body, the Executive Deputy Head the Head Master of Rugby School and the Head Master of Bilton Grange, the Director of the Rugbeian Community, the Estates Director, the Finance Director, the HR Director, the International Development Director and the School Chaplain.

The Leadership Group of the schools comprised the SMTs of the schools together with the Operations and Administration Management Group and any other members of the Executive Leadership Group.

Changes to Organisational Management in 2021-22

From September 2021, Bilton Grange saw a change in leadership with Mr Alex Osiatynski leaving the role of Head and being replaced by Mr Gareth Jones.

Support

The School and the Governing Body greatly appreciate the important and valuable support given to the School in so many ways by Rugbeians and many other friends of the School. Above all, the Governing Body remains deeply grateful to the entire staff, both teaching and operational and administrative, whose unstinting hard work and loyalty has enabled the School to achieve its major objectives.

Principal Risk and Risk Management

The Governing Body conducts annually a review of risk assessments undertaken by the School's management to identify the major risks to which the School (and the subsidiary and associated entities covered by this report) is exposed, and the systems for their mitigation. The Governing Body's Risk, Compliance and Safeguarding Committee reviews the School's Risk Management Report termly.

The Governing Body considers the principal risks faced by the School to be:

- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- the ability to address the economic environment and cost of living challenges;
- an inappropriate mix of students or unfilled student places;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the School's control, such as changes in legislation.

In the opinion of the Governing Body, the School (and the subsidiary and associated entities) has established resources and review systems which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2022

Statement of Governing Body responsibilities in respect of the Annual Report and the Financial Statements

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

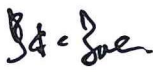
The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Auditors

Crowe UK LLP has indicated its willingness to be re-appointed as statutory auditors.

Approval

This report and the accompanying financial statements were approved by the Governing Body on 16 November 2022.



B O'Brien
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL

Opinion

We have audited the financial statements of Rugby School for the year ended 30 June 2022 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 June 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, 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 the parent 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 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 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe UK LLP
Statutory Auditor
Cheltenham

Date: 19 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

	Funds:	Unrestricted	Endowed	Restricted	2022	Unrestricted	Endowed	Restricted	2021
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:									
Charitable Activities									
School fees receivable	2	35,113	-	-	**35,113**	31,807	-	-	31,807
Ancillary trading income	4	1,527	-	-	**1,527**	948	-	-	948
Other Trading Activities									
Trading income (non-ancillary)	5	1,759	-	-	**1,759**	873	-	-	873
Investments									
Investment income	6	406	69	5,489	**5,964**	286	64	4,829	5,179
Voluntary Sources									
Donations and legacies		1	1,382	676	**2,059**	187	188	532	907
Other		5	-	72	**77**	1,498	-	6	1,504
Total Income		38,811	1,451	6,237	**46,499**	35,599	252	5,367	41,218
EXPENDITURE ON:									
Raising Funds									
Trading	7	889	-	-	**889**	596	-	-	596
Financing costs		963	-	-	**963**	268	-	-	268
Investment management costs		12	-	2,029	**2,041**	10	-	1,892	1,902
Fund-raising and development		-	-	506	**506**	-	-	372	372
Total cost of fundraising		1,864	-	2,535	**4,399**	874	-	2,264	3,138
Charitable Activities									
School operations		37,515	-	-	**37,515**	34,026	-	-	34,026
Scholarships, bursaries and prizes	3	-	-	3,587	**3,587**	-	-	4,131	4,131
Payment to Lawrence Sheriff School	9	-	-	681	**681**	-	-	667	667
Costs of Charitable Activities		37,515	-	4,268	**41,783**	34,026	-	4,798	38,824
Total Expenditure	7	39,379	-	6,803	**46,182**	34,900	-	7,062	41,962
Net (Expenditure)/Income		(568)	1,451	(566)	**317**	699	252	(1,695)	(744)
Net gains/(losses) on investments	13	(1,619)	10,561	(2,463)	**6,479**	2,412	8,544	4,429	15,385
Net Income		(2,187)	12,012	(3,029)	**6,796**	3,111	8,796	2,734	14,641
Transfer between funds	20,21,22	8	(69)	61	-	-	(599)	599	-
Actuarial (loss)/gain on defined benefit pension scheme	18	1,113	-	-	**1,113**	1,240	-	-	1,240
NET MOVEMENT IN FUNDS		(1,066)	11,943	(2,968)	**7,909**	4,351	8,197	3,333	15,881
Reconciliation of Funds									
Balances brought forward at 1 July		**70,130**	**132,809**	**24,725**	**227,664**	65,779	124,612	21,392	211,783
BALANCES CARRIED FORWARD at 30 June		**69,064**	**144,752**	**21,757**	**235,573**	70,130	132,809	24,725	227,664

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
BALANCE SHEETS
AS AT 30 JUNE 2022

	Notes	Parent Charity 2022 £'000	Parent Charity 2021 £'000	Consolidated 2022 £'000	Consolidated 2021 £'000
FIXED ASSETS					
Freehold properties, fixtures & equipment	12	**59,173**	56,115	**59,173**	56,115
Investments	13	**155,156**	150,203	**174,393**	171,787
		214,329	206,318	**233,566**	227,902
CURRENT ASSETS					
Stock		**0**	1	**78**	61
Debtors	14	**6,280**	6,811	**7,102**	6,261
Investments – deposits		**513**	680	**513**	680
Bank and cash		**43,588**	6,915	**43,680**	7,093
		50,381	14,407	**51,373**	14,095
CURRENT LIABILITIES					
Creditors due within one year	15	**(9,802)**	(9,132)	**(10,190)**	(9,365)
NET CURRENT ASSETS		**40,579**	5,275	**41,183**	4,729
TOTAL ASSETS LESS CURRENT LIABILITIES		**254,908**	211,593	**274,749**	232,631
CREDITORS due after more than one year	16	**(38,813)**	(3,615)	**(38,873)**	(3,615)
NET ASSETS EXCLUDING PENSION LIABILITY		**216,095**	207,978	**235,876**	229,016
PROVISIONS					
Defined benefit pension scheme liability	18	**(303)**	(1,352)	**(303)**	(1,352)
NET ASSETS INCLUDING PENSION LIABILITY	19	**215,792**	206,626	**235,573**	227,664
FUNDS OF THE CHARITY:					
Endowment funds	20	**133,371**	121,521	**144,752**	132,809
Restricted funds	21	**13,342**	14,967	**21,757**	24,725
Unrestricted funds:					
Unrestricted income funds		**69,382**	71,490	**69,367**	71,482
Pension reserve		**(303)**	(1,352)	**(303)**	(1,352)
Total unrestricted funds	22	**69,079**	70,138	**69,064**	70,130
TOTAL CHARITY FUNDS		**215,792**	206,626	**235,573**	227,664

The deficit for the financial year in the financial statements of the parent charity was £797,000 (2021: deficit of £21,000).

Approved by the Governing Body on 16 November 2022 and signed on their behalf by:

B J O'Brien – Chairman of Governing Body

R J A Elmhirst – Chairman of Finance Committee

P A Nicholls – Chief Operating Officer

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated	
	2022	2021
	£'000	£'000
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**318**	(746)
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(749)**	(634)
Endowment donations	**(1,382)**	(187)
Depreciation	**3,961**	3,739
Transfer of Fixed Assets from Bilton Grange merger (@ NBV)	**-**	-
(Increase)/Decrease in stocks	**(17)**	37
(increase)/Decrease in debtors	**(633)**	(1,661)
Increase/(Decrease) in creditors	**1,233**	1,245
Increase/(Decrease) in Fees in advance scheme	**(148)**	(45)
Increase/(Decrease) in pension scheme liability	**64**	43
Net cash provided by operating activities	**2,647**	1,791
Cash flows from investing activities:		
Purchase of fixed assets	**(7,021)**	(3,455)
Sale of fixed assets	**(2)**	-
Purchase of investments	**(8,111)**	(15,805)
Sale of investments	**12,228**	16,326
Investment income and bank interest receivable	**749**	634
Transfer (to)/from short term bank deposits	**(285)**	(438)
Net cash used in investing activities	**(2,442)**	(2,738)
Cash flows from financing activities:		
Increase in debt finance	**35,000**	-
New endowments	**1,382**	187
Net cash provided by financing activities	**36,382**	187
Change in cash and cash equivalents in the reporting period	**36,587**	(760)
Cash and cash equivalents at the beginning of the reporting period	**7,093**	7,848
Cash and cash equivalents at the end of the reporting period	**43,680**	7,088
Analysis of cash and cash equivalents:		
Cash at bank	**43,680**	7,093
	43,680	7,093

The notes on pages 28 to 55 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Rugby School ("the School") is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 registered in England & Wales (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922. The principal address is The Bursary, 10 Little Church Street, Rugby, Warwickshire CV21 3AW.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS102)), Financial Reporting Standard 102 and the Charities Act 2011 and the Rugby School Act 1922. A summary of the principal accounting policies, which have been applied consistently, is set out below.

(a) Basis of Accounting

The charity meets the definition of a public benefit entity.

The Governing Body consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets, including investment properties, are carried at market value at the balance sheet date.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Basis of Consolidation

The consolidated statement of financial activities (SOFA), balance sheet and the consolidated cash flow statement include the financial statements of the School, its subsidiary undertakings and associated entities made up to 30 June 2019. The subsidiary undertakings of Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited are all trading companies. The associated entities are The Arnold Foundation for Rugby School, Rugby School General Charitable Trust and Rugby School War Memorial Fund, all of which are registered charities.

No separate SOFA has been presented for the charity in the financial statements. The balance sheet of the parent charity is represented by the column headed "parent charity" and includes the results of School operations, the London Estate and the Special Funds, all of which are included within the same legal entity.

The separate parent charity's Statement of Financial Activities (SOFA) for the year ended 30 June 2022 shows gross income, excluding gift aid and donations from group entities, of £44.4 million (2021: £39.4 million) and a total deficit of £797,589 (2021: deficit of £21,349).

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash-flow statement with the consolidated financial statements.

The consolidation has been carried out on a line-by-line basis.

(c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated net of staff concessions and sibling discounts but include contributions received from Endowed and Restricted funds for scholarships and bursaries.

The provision of scholarships, augmentations and additional financial support is reviewed at least annually.

(d) Advance Fees

The School offers parents the opportunity to pay for up to 7 years fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the student joins the School, whereupon the fees for each term are released to fee income. Amounts received as Advance Fees may be returned to parents subject to specified conditions.

(e) Donations and legacies

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities that are donated be converted to cash as soon as possible. No amounts are included in the financial statements for services generated by volunteers. Donations subject to specific wishes of the donors are retained in relevant restricted funds.

The assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger deed dated the on 6 January 2020. Given the nature of the transaction, the transfer has been reflected in the School's accounts as a donation. The results of the School in the year ended 30 June 2020 reflect the assets and liabilities as transferred and the operations carried out by Bilton Grange since 6 January 2020.

(f) Expenditure

All expenditure is accounted for on an accruals basis as soon as a liability is considered probable and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been apportioned according to time spent.

(g) Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include finance and human resources and are allocated on a basis consistent with the use of the resource.

(h) Governance Costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for Governing Body and costs associated with meeting constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability.

(i) Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

(j) Leased Assets

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is depreciated over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the SOFA in proportion to the remaining balance outstanding.

(k) Finance Costs

These include amounts accrued in accordance with the terms of the Advance Fee contracts.

(l) Currency

The financial statements are prepared in sterling which is the functional currency of the School.

Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

(m) Taxation

As a registered charity, the School is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Although the School is registered for VAT, School fees are exempt from VAT. Irrecoverable VAT on costs incurred is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, as appropriate.

(n) Pension Schemes

The School contributes to the Government's Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The pension liability is the responsibility of the Teachers' Pension Scheme. As a result, it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, the Scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff, a defined benefit scheme, and the Rugby School Group Stakeholder Pension Scheme, a defined contribution scheme. The defined benefit scheme is administered by trustees and wholly invested with Baillie Gifford, at rates recommended by the Scheme Actuary. The defined contribution scheme is administered by Aviva.

(o) Tangible Fixed Assets

Expenditure on the acquisition or construction of new buildings, fixtures, fittings and equipment costing over £5,000 are capitalised and carried in the balance sheet at historical cost less depreciation. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on fixtures and equipment incurred in the normal day-to-day running of the School and its subsidiaries, and costing less than £5,000, is charged to the SOFA as incurred.

An impairment review of fixed assets is carried out on a regular basis.

(p) Depreciation

Freehold land is not depreciated.

Depreciation of other assets is calculated to write off the cost of the tangible fixed assets, less their estimated residual value, on a straight-line basis over the expected useful economic life of the assets. Additions of freehold buildings and refurbishments are depreciated from the beginning of the year following completion.

The principal annual rates over which assets are depreciated are:

New building (incl. chapel organ)	50 years
Refurbishments	15 - 25 years
All-weather pitches and telecommunications work	15 years
Computer equipment	3 years
Other fixtures, fittings and equipment	5 years

(q) Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Investment properties (which are all held in the London Estate) are valued on an open market value basis. A formal professional valuation is carried out every 5 years and prepared on an informal basis in the intervening period. No depreciation is provided on investment properties.

Income from investments is included, together with the related tax credit, in the year in which it is receivable. Rent receivable from investment property is classified as investment income.

(r) Fund Accounting

Unrestricted funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School and have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governing Body for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. In particular:

- permanent endowment arises where a donor intends the gift to be permanently retained. All income for spending will accrue to the appropriate restricted fund.

- expendable endowment funds are accounted for similarly, except that, if required, the capital may be converted into income for spending.

Investment income and gains are allocated to the appropriate fund.

(s) Total Return Accounting

During the year ended 30 June 2022 Rugby School, under powers granted by section 104A of the Charities Act 2011, adopted a total return approach to the investment of the London Estate Investment (non-property) Portfolio. The powers permit the Trustees to invest these funds to maximise total return and to make available a portion of the total return for expenditure each year. The intention is to receive a return of 3% each, with a minimum UTR of £500,000. Until the Trustees decide to appropriate all of the Total Return, the unappropriated portion of the Total Return shall be 'Unapplied Total Return' and remain part of the endowment.

(t) Stocks

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

(u) Reserve for Repairs, Rehabilitation and Reconstruction

In order to maintain the London Estate properties in good order, and with the authority granted by the Minister of Education, a designated reserve is set aside for repairs, rehabilitation and reconstruction. An appropriate sum is transferred to the reserve from the incoming resources of the London Estate to provide sufficient funds to meet liabilities arising in the foreseeable future.

(v) Key judgements and assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances.

The following areas have been considered:

- Pension liability. The School engages a firm of actuaries to provide expert advice about the assumptions made relating to the discount rate used, changes in retirement ages and mortality rates and the effect on the pension liability of changes in these assumptions.

- Investment property valuation. The School engages a firm of chartered surveyors to provide advice on the assumptions relating to the valuation.

(w) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value. The school and its entities only have financial assets and liabilities of a kind that qualify as basic financial instruments.

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2022	2021
	£000	£000
The School's fee income comprises:		
Gross fees	**37,392**	32,890
Less scholarships/bursaries not funded from Restricted Reserves	**(1,092)**	(220)
Less staff, sibling and other concessions	**(1,187)**	(863)
School Fees Receivable (SOFA)	**35,113**	31,807
Less scholarships/bursaries/grant/prizes/other awards funded from Restricted Reserves	**(3,587)**	(4,131)
Net Fees	**31,526**	27,676
Add back from Restricted Reserve	**3,587**	4,131
	35,113	31,807

In the figures for the year ended 30 June 2022, we have separated out certain scholarships and bursaries which were supported from Designated and other Unrestricted Funds rather than from Restricted Reserves.

3. CHARITABLE ACTIVITIES - SCHOLARSHIPS, GRANTS, PRIZES AND OTHER AWARDS

The total scholarships, grants, prizes and other awards paid for by Endowed and Restricted Funds comprise:

	2022	2021
	£000	£000
Foundation Scholarships	**110**	113
Scholarships	**942**	1,343
Arnold Foundation awards (means-tested)	**1,108**	1,018
Bursaries (means-tested)	**1,422**	1,656
Contribution to School fees	**3,582**	4,130
Prizes and Exhibitions	**5**	1
	3,587	4,131

The total scholarships, grants, prizes and other awards paid for by Unrestricted Funds comprise:

	2022	2021
	£000	£000
Scholarships	**576**	220
Bursaries (means-tested)	**-**	-
Contribution to School fees	**576**	220
Total scholarships, grants, prizes and other awards	**4,680**	4,351

4. CHARITABLE ACTIVITIES - OTHER INCOME

	2022	2021
	£000	£000
Other educational charitable activities		
Registration fees	**161**	117
Courses	**7**	0
Other including tradesmen discounts and settlement fees	**-**	0
	168	117
Other ancillary activities		
Extra-curricular activities and trips (recharged)	**558**	338
Other including commissions	**0**	0
	558	338
Other trading activities		
School shop, museum, tuckshop and events	**801**	493
	1,527	948

5. TRADING INCOME AND EXPENDITURE

	2022	2021
	£000	£000
Non-ancillary trading activities-including trading subsidiaries	**1,759**	873

Investment in subsidiary companies

The School has three wholly owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited, all are registered in England and Wales. The revenue accounts, cash flow, assets and liabilities are consolidated in these financial statements. Full financial statements are filed with the Registrar of Companies.

Rugby School Enterprises Limited's principal activity is to supply third parties with the School's sports, catering and other facilities when these are not required by the School. The company covenants its taxable profits to the School.

Rugby School International Limited's principal activity is the provision to third parties of support to establish new premium international schools associated with Rugby School, in relation to using the Rugby School trademarks and know-how.

Little Grange Nursery Limited's principal activity is the operation of a nursery which opened after the year end in August 2022.

Rugby School Projects Limited's principal activity is the supply of design and build construction projects.

Additionally, the School has three further associated charities - the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund.

Details of the significant subsidiaries and associated entities at 30 June 2022 are:

	Company registration number	Shareholding		Net Assets at 30 June 2022	Turnover (incl inv't income)	Expenditure	Profit in the Year
		%	£	£	£'000	£'000	£'000
Rugby School Enterprises Limited	2264068	100	4	4	1,131	1,123	8
Rugby School International Limited	10238790	100	1	1	749	749	0
Rugby School Projects Limited	10742346	100	1	1	0	0	0
Little Grange Nursery Limited	13879790	100	1	(14,694)	3	17	(14)
The Arnold Foundation for Rugby School	4516482	-	-	17,918,148	2,830	1,682	1,148
Rugby School Combined War Memorial Fund	-	-	-	1,878,573	26	52	(26)

6. INVESTMENT INCOME

	2022	2021
	£000	£000
Rents receivable	**5,216**	4,546
Income on financial investments	**698**	611
Interest receivable on cash portfolio	**50**	22
	5,964	5,179

The rents receivable relates to leasehold property leases on the London Estate (note 13). The future cumulative minimum lease income under non-cancellable operating leases on the London Estate are as follows:

	2022	2021
	£000	£000
Cumulative Leasehold property income:		
Within one year	**4,922**	2,348
Between 1 – 5 years	**9,563**	5,347
Over 5 years	**16,094**	20,659
	30,579	28,354

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Note	Staff costs £000	Other costs £000	Deprec'n £000	**2022 Total £000**	2021 Total £000
Costs of Generating and Managing Funds:						
Trading costs		492	397	-	**889**	596
Fund-raising costs		270	236	-	**506**	372
Finance costs		-	963	-	**963**	268
Investment management Costs		-	2,041	-	**2,041**	1,902
		762	3,637	-	**4,399**	3,138
Charitable Activities						
School operations:						
Teaching		13,772	2,006	524	**16,302**	14,924
Welfare		1,014	4,704	197	**5,915**	4,684
Premises		3,587	3,497	3,240	**10,324**	10,050
Support (including ancillary trading expenditure)		2,376	2,283	-	**4,659**	3,982
Governance		90	225	-	**315**	386
School's operating costs		20,839	12,715	3,961	**37,515**	34,026
Scholarships, bursaries and prizes	3	-	3,587	-	**3,587**	4,131
Payment to Lawrence Sherriff School	9	-	681	-	**681**	667
Total Expenditure		21,601	20,620	3,961	**46,182**	41,962

Support costs are attributable to the charitable activity of the provision of education and include finance, human resources, information technology, marketing, secretarial and legal support.

8. EXPENDITURE

Total resources expended include the following amounts:

	2022 £000	2021 £000
Amounts accrued to advance fees	**5**	5
Governors' travel expenses (6 Governors)	**28**	18
Fees payable to the Charity's auditors for:		
• The audit of the Charity and Group accounts	**58**	53
• Tax services	**4**	4
• Pensions audit	**1**	6
• Financial due diligence	**2**	15

9. PAYMENT TO LAWRENCE SHERIFF SCHOOL

Under the Rugby School (Transfer) Act 1906, as amended by the Rugby School Act 1922 and an Order of the Secretary of State for Education and Science dated 30 October 1968, an annual sum is payable to Lawrence Sheriff School, consisting of the income from an initial investment of £34,500 (market value at 30 June 2022 of £865,452 (2021: £957,430)), plus one fifth of the remaining net annual income of the London Estate (before minor adjustments), plus £100. The total amount payable to Lawrence Sheriff School in respect of the 2021/22 financial year was £680,905 (2021: £667,190).

10. STAFF COSTS

Total Staff Costs:	**2022**	2021
	£000	£000
Salaries and wages	**17,350**	16,024
Social security costs	**1,594**	1,467
Pension contributions	**2,526**	2,356
	21,470	19,847
Benefits – health insurance contributions	**131**	137
Salaries and wages	**21,601**	19,984

Staff costs include redundancy and termination costs of £nil (2021: £22,000) of which £nil remained outstanding at the year-end.

The average number of staff employed in the year was:

	2022	2021
	No	No
Teaching	**250**	**223**
Operations and Administration	**453**	**461**
Total	**703**	**684**

The School employs a significant number of part-time staff, many of whom are only employed for a few hours each week during term time.

Key Management Personnel

The earnings of the Key Management Personnel are determined by the Nominations Committee and for the year to 30 June 2022 were £1.873 million (2021: £1.719 million) including P11d benefits, employer national insurance and pension contributions. Key Management Personnel are generally included in the table below and now include Bilton Grange's senior leadership team in full.

10. STAFF COSTS *(continued)*

The number of employees whose emoluments, including P11d benefits but excluding employer national insurance and pension contributions, exceeded £60,000 on an annual basis were:

	2022	2021
	No	No
£60,000 - £69,999	**24**	24
£70,000 - £79,999	**6**	5
£80,000 - £89,999	**7**	8
£90,000 - £99,999	**1**	1
£100,000 - £109,999	**2**	2
£120,000 - £129,999	**1**	2
£130,000 - £139,999	**1**	-
£150,000 - £159,999	**-**	1
£160,000 - £169,999	**1**	-
£230,000 - £239,999	**-**	1
£240,000 - £249,999	**1**	-

34 of these employees (2021: 36) were members of a defined benefit pension scheme and 7 employees (2021: 5) were members of a defined contribution scheme at a charge of £71,467 for the year.

No Governors or persons connected with them received any remuneration or other benefits from the School or any connected organisation.

11. TAXATION

The School has charitable status and is thus exempt from corporation tax on primary purpose activities.

There is no UK corporation tax charge, in respect of the current or prior years, incurred by the trading subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited, Little Grange Nursery Limited or Rugby School Projects Limited.

12. FREEHOLD LAND & BUILDINGS, FIXTURES AND EQUIPMENT

	Parent Charity and Consolidated			
	Freehold land & buildings	Assets under construction	Fixtures & equipment	Total
COST	£000	£000	£000	£000
As at 1 July 2021	93,034	221	7,162	100,417
Additions	6,105	297	619	7,021
Transfers	212	(212)	-	-
Disposals	-	-	(410)	(410)
As at 30 June 2022	99,351	306	7,371	107,028
DEPRECIATION				
As at 1 July 2021	38,965	-	5,337	44,302
Charge for the year	3,337	-	624	3,961
Transfers	-	-	-	-
Disposals	-	-	(408)	(408)
As at 30 June 2022	42,302	-	5,553	47,855
NET BOOK VALUE				
As at 30 June 2022	**57,049**	**306**	**1,818**	**59,173**
As at 30 June 2021	54,069	221	1,825	56,115

Fixtures and equipment includes kitchen assets, purchased in line with the catering contract.

The net book value of equipment includes £0 relating to assets held under finance leases (2021: £0). A depreciation charge of £0 occurred in the year (2021: £15,000).

In addition to the assets recorded on the balance sheet, the School has a collection of works of art and museum exhibits, which it has acquired over many years, mostly as gifts. A physical inventory of these assets is maintained but since such assets are held for educational purposes and are not for sale, the Governing Body consider that they do not meet the definition of Heritage Assets in the financial statements and the cost of valuation outweighs any benefit gained. In the opinion of the Governing Body the depreciated historical cost of these assets would now be immaterial.

Capital Commitments
Capital commitments in the form of orders approved and authorised, at 30 June 2022 amounted to £2,789,520 (2021: £1,395,785).

13. FIXED ASSET INVESTMENTS

Parent Charity

	London Estate	Bilton Grange	Special Funds	Composition of Fees	Total
	£000	£000	£000	£000	**£000**
Balance at 1 July 2021	113,209	5,668	29,830	1,496	**150,203**
Additions	844	65	3,741	201	**4,851**
Cash balance movement	(62)	1	305	24	**268**
Disposals at net proceeds	(4,800)	(73)	(3,940)	(203)	**(9,016)**
Revaluations	11,879	(533)	(2,328)	(168)	**8,850**
Balance at 30 June 2022	121,070	5,128	27,608	1,350	**155,156**
Represented by:					
Freehold properties	115,399	-	-	-	**115,399**
Financial investments	4,807	5,121	26,799	993	**37,720**
Cash deposits	864	7	809	357	**2,037**
	121,070	5,128	27,608	1,350	**155,156**

Consolidated

	Parent Charity	Arnold Foundation	War Memorial	Total
	£000	£000	£000	**£000**
Balance at 1 July 2021	150,203	19,491	2,092	**171,786**
Additions	4,852	2,918	342	**8,112**
Cash balance movement	268	3	(26)	**245**
Disposals at net proceeds	(9,016)	(2,889)	(324)	**(12,229)**
Revaluations	8,849	(2,138)	(232)	**6,479**
Balance at 30 June 2022	155,156	17,385	1,852	**174,393**
Represented by:				
Freehold properties	115,399	-	-	**115,399**
Financial investments	37,720	17,064	1,828	**56,612**
Cash deposits	2,037	321	24	**2,382**
	155,156	17,385	1,852	**174,393**

The London Estate investments include property professionally valued by Farebrother, Chartered Surveyors as at 30 June 2016. The Governing Body's updated valuation of the property portfolio as at 30 June 2022 was obtained in consultation with the School's professional advisors and reflects the changes in the market conditions.

The London Estate investments includes £115.4 million property and £5.7 million in its managed equity portfolio.

13. FIXED ASSET INVESTMENTS *(continued)*

To fulfil the requirements of FRS 102, the Governing Body have included the properties in the financial statements at the open market valuation, though it is the intention of the Governing Body to retain the investment properties within the School's endowed funds (note 20) with only the income being used towards the School's charitable purposes. As described in the Governors' Report, Rugby School's share of the net income from these properties is used primarily to finance foundations, scholarships, bursaries and other allowances awarded by the School.

The gross rental income generated from the London Estate properties in 2021/22 was £5.0 million (2020/21 - £4.3 million).

The Estate is wholly owned by Rugby School. However, under the terms of the Rugby Lower School (Transfer) Act 1906 and of the Rugby School Act 1922, and as recorded in Note 9, one fifth of the annual net income from this Estate is paid to Lawrence Sheriff School in Rugby.

Special Funds comprise a number of different funds, the income and capital from which is restricted for specific purposes such as scholarships, grants and prizes.

14. DEBTORS

	Parent Charity		Consolidated	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade debtors	**2,167**	2,888	**2,683**	3,193
Taxation recoverable and accrued income from HMRC	**-**	-	**-**	4
Other debtors	**2,410**	812	**2,706**	1,006
Inter-group balances	**100**	1,054	**-**	-
Prepayments and accrued income	**1,603**	2,057	**1,713**	2,057
	6,280	6,811	**7,102**	6,260

15. CREDITORS: due within one year

	Parent Charity		Consolidated	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Finance lease creditor	**-**	**5**	**-**	5
Trade creditors	**3,311**	2,709	**3,398**	2,782
Taxation and social security	**593**	551	**600**	556
Other creditors	**1,543**	1,745	**1,546**	1,825
Inter-group balances		-		-
Accruals and deferred income	**1,875**	1,676	**2,156**	1,751
Entrance fees and final term deposits	**881**	584	**890**	584
Advance fees	**1,127**	1,308	**1,128**	1,308
Advance fees via Scheme (note 17)	**472**	554	**472**	554
	9,802	9,132	**10,190**	9,365

The School has included an accrual of £160,000 to account for amounts likely to be due as historic underpayments of holiday pay the recent final judgment of the Supreme Court in relation to the Harpur Trust v Brazel case.

16. CREDITORS: amounts due after more than one year

	Parent Charity		Consolidated	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Finance lease creditor	**-**	**-**	**-**	**-**
Debt finance	**35,000**	**-**	**35,000**	**-**
Entrance fees and final term deposits	**3,428**	3,153	**3,488**	3,153
Advance fees via Scheme (note 17)	**385**	462	**385**	462
	38,813	3,615	**38,873**	3,615

17. FEES IN ADVANCE SCHEME

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

	2022	2021
	£000	£000
Between 2 to 5 years	**132**	168
Between 1 to 2 years	**253**	294
	385	462
Within 1 year (note 15)	**472**	554
Balance at 30 June	**857**	1,016

17. ADVANCE FEE PAYMENTS *(continued)*

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

	2022	2021
	£000	£000
Balance at 1 July	**1,016**	1,061
New contracts	**449**	622
Refunds	**-**	-
Amounts accrued to contracts	**-**	1
	1465	1,684
Amounts utilised in payment of fees to the School	**(608)**	(668)
Balance at 30 June	**857**	1,016

18. PENSION SCHEMES

(a) Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,857,626 (2021: £1,750,000). There was £221,181 accrued in respect of contributions payable at the year-end (2021 - £nil).

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

18. PENSION SCHEMES *(continued)*

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

(b) Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973)

Composition of the Scheme

The School operates a defined benefit pension scheme, the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the School in trustee administered funds. The Scheme closed to future accrual on 5 April 2006. Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary.

Actuarial valuation

A full actuarial valuation was carried out at 6 April 2021 and showed the Scheme to be in deficit by £323,000; expressed as a percentage (assets divided by liabilities) the scheme was 95% funded on an 'ongoing basis'. The Actuary has advised that at 5 April 2022 the Scheme would be in surplus if assessed on a consistent set of assumptions reflecting market conditions at that date. Given this and the strong employer covenant the Trustees have agreed that it would be unnecessary to seek contributions from the School.

The next tri-annual valuation date is set to be as of 5 April 2024.

18. PENSION SCHEMES *(continued)*

The principal actuarial assumptions at the balance sheet date were:

	2022	**2021**
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions payment	5.00%	5.00%
Discount rate	3.75%	2.08%
Inflation assumption	3.51%	3.39%
Statutory rate of increase of pensions in deferment	3.51%	3.39%
Expected return on Scheme assets	3.75%	2.08%
Assumes life expectancy on retirement at age 60:		
Retiring today – males	26.4	26.4
Retiring today – females	29.0	29.0
Retiring in 15 years – males	27.6	27.5
Retiring in 15 years – females	30.2	30.2

The amounts recognised in the balance sheet are as follows:

	Market Value 2022 £000	Market Value 2021 £000
Fair value of Scheme assets	**6,067**	7,057
Present value of funded obligations	**(6,370)**	(8,409)
Deficit in the scheme	**(303)**	(1,352)

Change in the present value of the defined benefit obligation are as follows:

	2022 £000	2021 £000
Defined benefit obligation at 1 July	**8,409**	8,886
Interest cost	**173**	149
Benefits paid	**(190)**	(210)
Actuarial losses/(gains)	**(2,022)**	(416)
Defined benefit obligation at 30 June	**6,370**	8,409

18. PENSION SCHEMES *(continued)*

Change in the present value of the scheme assets are as follows:

	2022	2021
	£000	£000
Fair value of scheme assets at 1 July	**7,057**	6,337
Employer Contributions		
Benefit payments	**(190)**	(210)
Expenses paid	**(35)**	
Expected return on scheme assets	**144**	106
Actuarial gains / (losses)	**(909)**	824
Fair value of scheme assets at 30 June	**6,067**	7,057

Analysis of the amounts charged within the Statement of Financial Activities are as follows:

	2022	2021
	£000	£000
Interest on pension scheme liabilities	**(173)**	(149)
Expenses	**(35)**	
Expected return on pension scheme assets	**144**	106
Total amount charged to the Statement of Financial Activities	**(64)**	(43)

Analysis of actuarial gains and losses:

	2022	2021
	£000	£000
Actual return less expected return on scheme assets	**(909)**	823
Experience gains and losses arising on the scheme liabilities	**(5)**	34
Changes to assumption underlying the present value of the scheme liabilities	**2,027**	383
Actuarial loss	**1,113**	1,240

The major categories of Scheme assets as a percentage of total Scheme assets are as follows:

	2022	2021
	%	%
Equities	**23**	30
Bonds	**20**	22
Gilts	**-**	-
Property	**9**	10
Other	**42**	33
Cash	**6**	5

Actual return on the Scheme assets in the period	**(£765,000)**	£929,000

18. PENSION SCHEMES *(continued)*

Future expected rates of return

The expected rates of return to apply from the valuation date forward are shown net of a 0.35% deduction to allow for investment management fees. The assumptions have been derived as follows:

- the return on bonds is set to be equal to the discount rate, less 0.35%,
- the net return on gilts is set equal to the yield on 15-year fixed interest gifts, less 0.35%,
- the net return on equities and property is set to be 3% above the return on 15-year fixed interest on gilts, less 0.35%;
- the return on cash is taken to be equal to the return on 15-year fixed interest gilts, less 0.35%,
- the return on other assets such as commodities and infrastructure has been set to be 3.75% above the 15-year fixed interest gilt yield, less 0.35%.

The School does not expect to contribute to the defined benefit pension scheme during 2022/23.

History of experience gains and losses:

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Present value of Scheme liabilities	**6,370**	8,409	8,886	8,285	8,037
Fair value of Scheme assets	**6,067**	7,057	6,337	6,730	6,987
Deficit	**(303)**	(1,352)	(2,549)	(1,555)	(1,050)
Experience gains /(losses) on the liabilities	**(5)**	34	33	(23)	(37)
Experience gains/(losses) on scheme assets	**(909)**	823	(363)	19	(71)
Actuarial gain/(loss)	**1,113**	1,240	(956)	(478)	(108)

(c) Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff

From 1 October 1997 to 30 September 2001, Rugby School operated a defined contribution pension scheme for certain non-teaching staff. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

With effect from 1 October 2001, the scheme was replaced by the Rugby School Group Stakeholder Pension Scheme. The School contributes double the employee contributions up to a maximum of 12% of pensionable pay. Employer contributions totalling £971,515 (2021: £769,000) were paid in respect of this pension scheme for the year. This increase was in part due to the addition of Bilton Grange staff for the full year and also reflects changes due to the implementation of a salary sacrifice scheme during the course of 2021-22. At the period-end £94,446 (2021: £86,943) was payable in respect of employer and employee contributions to this scheme.

The assets of both schemes are held separately from the School in independently administered funds.

(d) Bilton Grange Stakeholder Pension Scheme for Non-Teaching Staff

From 6 January 2020, the School has operated a defined contribution pension scheme for certain non-teaching staff at Bilton Grange and those teaching staff who have opted into this pension scheme rather than being in the TPS. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

This scheme was ended January 2021 and the employees were transferred to the Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff. Employer contributions totalling £nil (2021: £22,000) were paid in respect of this pension scheme for the year. At the period-end £nil (2021: £nil) was payable in respect of employer and employee contributions to this scheme.

The assets of all schemes are held separately from the School in independently administered funds.

19. ANALYSIS OF NET ASSETS

(a) Current year analysis of net assets between funds:

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2022 Total £000
Parent Charity					
Fixed Assets	-	-	59,173	-	**59,173**
Investments	128,358	13,024	12,424	1,350	**155,156**
Net Current Assets/ (Liabilities)	5,013	318	36,289	(1,041)	**40,579**
Long Term Liabilities	-	-	(38,731)	(385)	**(39,116)**
	133,371	**13,342**	**69,155**	**(76)**	**215,792**
Consolidated					
Fixed Assets	-	-	59,173	-	**59,173**
Investments	139,206	21,412	12,425	1,350	**174,393**
Net Current Assets/(Liabilities)	5,546	345	36,333	(1,041)	**41,183**
Long Term Liabilities	-	-	(38,791)	(385)	**(39,176)**
	144,752	**21,757**	**69,140**	**(76)**	**235,573**

(b) Prior year analysis of net assets between funds

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2021 Total £000
Parent Charity					
Fixed Assets	-	-	56,115	-	**56,115**
Investments	120,633	14,424	13,650	1,496	**150,203**
Net Current Assets/ (Liabilities)	888	543	4,808	(964)	**5,275**
Long Term Liabilities	-	-	(4,505)	(462)	**(4,967)**
	121,521	**14,967**	**70,068**	**70**	**206,626**
Consolidated					
Fixed Assets	-	-	56,115	-	**56,115**
Investments	132,505	24,136	13,650	1,496	**171,787**
Net Current Assets/(Liabilities)	304	589	4,800	(964)	**4,729**
Long Term Liabilities	-	-	(4,505)	(462)	**(4,967)**
	132,809	**24,725**	**70,060**	**70**	**227,664**

20. ENDOWED FUNDS

(a) Current year movement in endowed funds:

	Balance at 30 June 2021 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2022 £000**
Parent Charity						
London Estates: Property	106,221	-	-	-	12,499	**118,720**
London Estates: Equity	5,864	69	-	(69)	(618)	**5,245**
Lewis Benefaction fund	9,274	-	-	-	(31)	**9,244**
Bilton Grange	162	642	(642)	-	-	**162**
	121,521	711	(642)	(69)	11,850	**133,371**
Consolidated						
Arnold Foundation Awards	11,288	740	642	-	(1,289)	**11,382**
	132,809	1,451	-	(69)	10,561	**144,752**

(b) Prior year movement in endowed funds:

	Balance at 30 June 2020 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2021 £000**
Parent Charity						
London Estates: Property	102,631	-	-	-	3,590	**106,221**
London Estates: Equity	5,333	60	-	(599)	1,070	**5,864**
Lewis Benefaction fund	7,606	-	-	-	1,668	**9,274**
Bilton Grange	138	4	-	-	20	**162**
	115,708	64	-	(599)	6,348	**121,521**
Consolidated						
Arnold Foundation Awards	8,904	188	-	-	2,196	**11,288**
	124,612	252	-	(599)	8,544	**132,809**

* Total return to income was £80,000 for 2019-2020 which was reversed by way of an offsetting transfer.

London Estates
The London Estate consists principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial and residential rental income (see restricted funds). Endowed funds also include equity investments (see Total Return note 20c). In the year there was an application of total return to income of £80,000 (see detail in Total Return note 20c).

Lewis Benefaction Fund
The Lewis Benefaction Fund is an expendable endowment capital fund which generates income for the provision of scholarships and bursaries. The income from the fund is fully utilised for this purpose (see restricted funds) and the capital has not been expended.

Arnold Foundation Awards
The Arnold Foundation endowed funds includes £50 of permanent funds and the balance relates to expendable endowment funds which generate income for the financing of bursary awards to Rugby School. This fund is held by the Arnold Foundation for Rugby School. The income from the fund is utilised for this purpose (see restricted funds).

(c) Statement of Total Return

The School adopted a Total Return policy for its London Estate Endowed Non-Property Investment Funds only. This allows investment managers greater flexibility in managing funds within the agreed risk parameters. Unapplied total returns are the total returns on the investments (capital or income in nature), less monies paid out of the Endowed Funds.

The preserved value is protected with an annual CPI uplift and is based on a valuation date of 31 July 2009.

The Unapplied Total Return movements are:

	Preserved Value £000	Unapplied Value £000	Total £000
Brought forward:			
Preserved Value	4,362	-	4,362
Unapplied Total Return	-	1,422	1,422
Total	4,362	1,422	5,784
Movement in reporting period:			
Investment return: dividend/income	-	-	-
Investment return: gains/losses	-	(619)	(619)
Unapplied total return allocated to income	-	-	-
Unapplied total return allocated to capital	693	(693)	
Grant to Lawrence Sheriff School	-	-	-
Net movement in reporting period:	693	(1,312	(619)
Carried Forward:			
Preserved Value			
Unapplied Total Return			
Total	5,055	110	5,165

21. RESTRICTED FUNDS

(a) Current year movement in restricted funds:

	Balance at 30 June 2021 £000	Incoming funds £000	Amounts expended £000	Transfer £000	Total Return t/f applied to income £000	Investment gains £000	**Balance at 30 June 2022 £000**
Parent Charity							
Special Funds:							
Common Investment Fund	12,559	138	(353)	-	-	(1,379)	**10,965**
Lewis Benefaction Fund	-	66	(66)	-	-	-	**-**
London Estate	1,653	5,086	(5,157)	-	69	-	**1,651**
School	755	57	(78)	(8)	-	-	**726**
	14,967	5,347	(5,654)	(8)	69	(1,379)	**13,342**
Consolidated							
War Memorial	2,140	26	(53)	-	-	(234)	**1,879**
General Charitable Trust	-	1	(1)	-	-	-	**-**
Arnold Foundation for Rugby School	7,618	863	(1,095)	-	-	(850)	**6,536**
	24,725	6,237	(6,803)	(8)	69	(2,463)	**21,757**

(b) Prior year movement in restricted funds:

	Balance at 30 June 2020 £000	Incoming funds £000	Amounts expended £000	Transfer £000	Total Return t/f applied to income £000	Investment gains £000	**Balance at 30 June 2021 £000**
Parent Charity							
Special Funds:							
Common Investment Fund	10,757	187	(855)	-	-	2,470	**12,559**
Lewis Benefaction Fund	-	77	(77)	-	-	-	**-**
London Estate	1,713	4,338	(4,997)	-	599	-	**1,653**
School	700	55	-	-	-	-	**755**
	13,170	4,657	(5,929)	-	599	2,470	**14,967**
Consolidated							
War Memorial	1,768	23	(58)	-	-	407	**2,140**
General Charitable Trust	-	56	(56)	-	-	-	**-**
Arnold Foundation for Rugby School	6,454	1,058	(1,446)	-	-	1,552	**7,618**
	21,392	5,794	(7,489)	-	599	4,429	**24,725**

Common Investment Fund
The Common Investment Fund consists of numerous funds, the income and capital being restricted for specific purposes. With the approval of the Charity Commission, there is a pooling system under which investments belonging to its restricted fund are pooled. The majority of the funds are restricted for the provision of scholarships, bursaries and prizes.

Lewis Benefaction Fund
The income from the endowed fund is fully utilised for the provision of scholarships and bursaries.

21. RESTRICTED FUNDS *(continued)*

London Estates

The London Estate endowment yields commercial and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four fifths which remain, the primary use is to fund foundations and scholarships. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Included within the London Estate Fund is a Reserve Fund for repairs, rehabilitation and reconstruction:

	2022	2021
	£000	£000
As at 1 July	**1,350**	1,350
Transfer from/to net income resources	**-**	-
As at 30 June	**1,350**	1,350

In accordance with an Order made by the Minister of Education on 15 January 1963, the Governing Body may transfer funds into a Reserve Fund for the reconstruction and development of the real property of the Foundation at Holborn (the London Estate). £ were transferred out of restricted funds in the year (2021: no funds) which represents fulfilment of restricted capital projects.

War Memorial Fund

The War Memorial Fund makes awards to help the children of Rugbeians, who are in need of financial assistance, to attend or to remain at Rugby School. The bursaries are assessed and awarded by Rugby School with funding being granted by the War Memorial Fund.

General Charitable Trust

The Trust receives income from covenants and legacies which were established prior to the existence of the Arnold Foundation. The income is gifted to the School, usually to assist with specific capital projects. In the year there was a transfer of £1,000 (2021: £56,000).

Arnold Foundation for Rugby School

The Arnold Foundation fund is monies given to provide funds and future income for the provision of bursary awards to Rugby School.

	£000
Expended by the Arnold Foundation in the year to 30 June 2022 in accordance with the wishes of the donors:	
Bursary awards	1,108
Unexpended balance of gifts and legacies as at 30 June 2022:	
Restricted funds to be utilised for Bursary Awards	6,352
Unrestricted funds in Arnold Foundation (but treated as Restricted for the Group) to be utilised for bursary Awards	185
	6,537

Fundraising costs in the year of £506,000 (2021: £373,000) were met by Rugby School.

22. UNRESTRICTED FUNDS

(a) Current year movement in unrestricted funds:

	Balance 30 June 2021 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2022 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	56,115	-	-	3,058	-	**59,173**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	283	-	-	-	-	**283**
RSE Fund	688	-	-	-	-	**688**
Bilton Grange designated	5,654	-	-	-	(534)	**5,120**
Bloxam Fund	12,292	(175)	-	-	(918)	**11,199**
General unrestricted funds:						
School operations	(3,543)	37,103	(37,424)	(3,050)	(167)	**(7,081)**
Pension reserve	(1,352)	-	(64)	-	1,113	**(303)**
	70,137	36,928	(37,488)	8	(506)	**69,079**
Consolidated						
Rugby School Enterprises	(7)	1,131	(1,124)	-	-	**-**
Rugby School International	-	749	(749)	-	-	**-**
Rugby School Projects	-	-	-	-	-	**-**
Little Grange Nursery	-	3	(18)	-	-	**(15)**
	70,130	38,811	(39,379)	8	(506)	**69,064**

(b) Prior year movement in unrestricted funds:

	Balance 30 June 2020 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2021 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	56,399	-	-	(284)	-	**56,115**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	334	-	(51)	-	-	**283**
RSE Fund	688	-	-	-	-	**688**
Bilton Grange designated	4,747	-	-	-	907	**5,654**
Bloxam Fund	10,197	588	-	-	1,507	**12,292**
General unrestricted funds:						
School operations	(4,037)	34,313	(34,101)	284	(2)	**(3,543)**
Pension reserve	(2,549)	-	(43)	-	1,240	**(1,352)**
	65,779	34,901	(34,195)	-	3,652	**70,137**
Consolidated						
Rugby School Enterprises	-	459	(466)	-	-	**(7)**
Rugby School International	-	499	(499)	-	-	**-**
Rugby School Projects	-	-	-	-	-	**-**
	65,779	35,859	(35,160)	-	3,652	**70,130**

22. UNRESTRICTED FUNDS *(continued)*

Fixed asset fund
The fund carried forward at the year-end represents the net book amounts invested in tangible fixed assets. A transfer of 3,058,000 was made into the fund (2021: transfer out of the fund £284,000) which represents the net fixed asset additions, disposals and depreciation for the year.

Building maintenance fund
Following an extensive survey of School properties, the building maintenance fund was established for maintenance priorities of the School's buildings over a five-year period. In the year nil (2021: £51,000 was expended) was expended from the fund.

RSE fund
The funds gifted by Rugby School Enterprises Limited are to be utilised on projects which would benefit a significant proportion of the School's community and may be used for bursaries for exceptional students. £383,306 transfer was made of RSE surplus for the year (2021: No transfer).

Bilton Grange fund
With the charitable merger of Bilton Grange into the School, the non-endowment investments previously held in the name of Bilton Grange Trust Limited were designated by the Governors to be used for capital investment into Bilton Grange and its facilities.

Bloxam fund
The funds in the Bloxam Fund are a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books have been designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community. These funds are added to by various fundraising initiatives or donations from time to time.

School operations
General unrestricted funds are retained to provide working capital.

23. FINANCE AND LEASE COMMITMENTS

The School has the following minimum lease payments, due in relation to non-cancellable lease agreements:

	Parent Charity		Consolidated	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Payable within 1 year	**283**	5	283	5
Payable between 2 to 5 years	**502**	-	502	-
Payable after more than 5 years	**-**	-	-	-
	785	5	785	5

During the year the School maintained in place an annually renewable, unsecured, on-demand, £5,000,000 overdraft facility with National Westminster Bank Plc. The facility has remained undrawn during the year ending 30 June 2022.

On 30 June 2021, the School committed to a 40-year private issue for £35 million placed with MetLife, that closed and funded on 1 September 2021, due for repayment on 1 September 2061. Interest at 2.32% per annum is computed on a 30/360-day basis and payable semi-annually on 1 March and 1 September.

24. RELATED PARTY TRANSACTIONS

The children of staff and Governors may attend the School, subject to the normal entry procedures. In such cases, Governors pay School fees at the standard rates, but staff members receive a discount.

Robin Fletcher, a Governor of the School at the time, was paid £4,000 in relation to the writing of a book to mark the 200th anniversary of Rugby Football (nil outstanding at year end). Elevation Coaching & Consulting Ltd, of which Audrey Pantelis, a Governor of the School, is also a director, was paid £13,846 in relation to diversity awareness training of which £nil was outstanding at year end (£6,440 was paid in previous year).

25. CONTINGENT LIABILITIES AND ASSETS

The School is in an ongoing dispute in relation to a former member of staff which is expected to progress to a tribunal. No provision has been made for a liability at 30 June 2022 as there remains considerable uncertainty as to the potential outcome of this claim in relation to both value and timing.

RUGBY SCHOOL

England & Wales - Charity number 528752

Accounts

Rugby School

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Registered Charity Number 528752
www.rugbyschool.co.uk

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Governing Body	Appointed by
B J O'Brien, LLB **(2,3,4,5,6,7)** (Chairman from 5 July 2020)	Governing Body
R J Elmhirst LLB **(2,3,4,5,6)** (Deputy Chairman from 5 July 2020)	Governing Body
L J Holmes, BA (Hons) (Chairman) (resigned 4 July 2020)	Governing Body
R C A Hingley, MA (Deputy Chairman) (resigned 4 July 2020)	Governing Body
N Bacon FCA CTA **(2,3,5,7)** (joined 17 November 2020)	Governing Body
J C Barwell OBE **(2,3,4,7)**	Governing Body
D J Bennett, MA (Hons) (resigned 4 July 2020)	Governing Body
C A Coates LLB **(8)** (joined 5 November 2021)	Governing Body
J Eastwood BA (Hons) **(8)**	Governing Body
R C Fletcher FRSA, MBA, Mphi **(7)**	Governing Body
Prof C J Howe ScD **(1)** (resigned 3 July 2021)	Governing Body
H Jackson BSc (Hons) (resigned 3 July 2021)	Governing Body
S Lebus, MA **(5)** (resigned 3 July 2021)	Governing Body
G V Lloyd-Jones (resigned 3 July 2021)	Governing Body
C Marten MA **(1,6,8)**	Governing Body
J Moreland MA, PGCE, NPQH **(8)**	Common Room
A Pantelis **(1)** (joined 10 March 2021)	Governing Body
Rev Canon Dr M Pryce **(1)** (joined 1 September 2021)	Governing Body
General Sir T Radford KCB DSO OBE **(6)**	Governing Body
D Skailes BSC FCA **(2,3,6)**	Governing Body
P Smulders, BA, MBA **(5)**	Governing Body
C Wills LLP **(5,7)** (joined 17 November 2020)	Governing Body
G Woodward BA (Hons) (resigned 16 January 2022)	Governing Body

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Executive Head Master
P R A Green MA, PGCE

Chief Operating Officer and Clerk to the Governing Body
P A Nicholls MA (CANTAB), FCA

Deputy Executive Head
Dr N G Hampton MA (OXON), PhD, PGCE

Head of Rugby School
G Parker-Jones MA, PGCE

Head of Bilton Grange
G E B Jones MEd, BA (Hons), PGCE

Principal Address and Registered Office
Rugby School, The Bursary, 10, Little Church Street, Rugby, CV21 3AW
THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Membership of Governing Body Committees (as of date of this report)

(1) Academic	(2) Finance, Audit & Estates	(3) Audit
(4) Investment	(5) International Development	(6) Nominations
(7) Arnold Foundation	(8) Risk, Compliance & Safeguarding	

Other Current Members of Governing Body Committees

W Assheton (2,3)	Dr C H Barnes (7)	Ms D W Batstone (7)	P Henderson (4)
C Howe (1)	S Lebus (5)	C T Lindsay (7)	M Mansell (2,3)
M D L Ponsonby (7)	M Ruffell (4)	A Stuart (1)	F Salway (2,3)
M Turner (7)	P Yates (4)		

(Relevant senior employees of the School are present in attendance at each Governing Body Committee but are not formally members)

Auditor

Crowe U.K. LLP
Cheltenham

Advisers

Bankers
National Westminster Bank plc, Rugby

Surveyors
Farebrother, London

Solicitors
Veale Wasbrough Vizards, Bristol

Principal Investment Managers
Quilter Cheviot Ltd, London
Partners Capital LLP, London
Veritas Investment Management, London

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL
FOR THE YEAR ENDED 30 JUNE 2021

The Governing Body of Rugby School ("Governing Body"), who are the trustees of Rugby School including Bilton Grange (the "School"), present their Annual Report and the audited financial statements of the School for the year ended 30 June 2021. The Governing Body confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)) and with the Charities Act 2011.

The School's Objectives

Charitable Objects
The provision of a broad liberal Christian education at a boarding and day school at the School for children from Rugby and neighbourhood and elsewhere, and by ancillary or incidental activities and other associated activities for the benefit of the community.

Statement of Values
The School's principal activity is the education and pastoral care of its students at Rugby School and Bilton Grange. All of its assets and its income and expenditure relate to that activity. The School's fundamental ethos of 'the Whole Person is the Whole Point' is everything we undertake at the School to fulfil that principal aim.

The School's Development Plan includes a Statement of Values:

- The School operates all-round co-educational schools, where students are actively encouraged to develop their own individual skills and talents. Every child has something special inside them; it's our job to find out what that is.
- The School operates schools which value outstanding academic performance - but never at the expense of achieving excellence in other fields. In our experience, a hothouse isn't necessarily a place where many students will blossom.
- Rugby School and Bilton Grange are schools located in the Midlands, and we're often noted for our remarkably unpretentious atmosphere. But amongst students and teachers alike, you'll detect a fierce pride about being here.
- We have a strong sense of service to the community. We're blessed with some marvellously well-equipped facilities, and we think it's only fair we afford wider access to them whenever we can.
- We also think it's fair to give children a chance to come here who couldn't otherwise afford to do so.
- The School operates true 7-day a week schools with a strong boarding ethos. The place doesn't empty at weekends for the simple reason that there's so much going on here.
- Rugby School and Bilton Grange are schools that love to innovate and try out new things. Just because 'it's never been done before' doesn't mean we shouldn't give it a go now.
- Without being over-pious about it, the School is a Christian foundation, where diversity, tolerance and understanding are taught and differences celebrated with just the same skill and dedication as English and Maths.
- Rugby is a school with a strong House structure, and a long tradition of in-house dining. This means there's an unusual emphasis on individual pastoral care, so being here really is the next best thing to being back home.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2021

The School consistently strives for all-round excellence. It recognises that there are many fundamental qualities which are not examinable: curiosity, shrewdness, initiative, leadership, an awareness of beauty, a sense of humour, a sense of responsibility and a gift for friendship, and that these and other basic qualities need to be developed in an institution that regards itself as educational.

The Governing Body consider that the School provides an environment where each student is encouraged to develop and fulfil its potential, thereby inspiring a desire to contribute to the wider community.

Objectives for the Year

The Governing Body set the following aims for the academic year 2020/21:

- to maintain the School's commitment to high academic standards providing teaching in person and remotely;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation, Lawrence Sheriff and others) to ensure that access to the School is as wide as possible;
- to maintain the standards of pastoral care through the implementation of a pastoral rolling plan;
- to continue to provide and enhance the range of co-curricular activities to fulfil our ethos of 'Whole Person Whole Point';
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout the School;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment.

Strategies to achieve Objectives

The School's strategies for achieving its objectives were to:

- continue to review the academic curriculum to ensure that it is both broad and challenging;
- continue to subscribe to independently set and assessed tests at age 13 and on entering the sixth form, which produce data which helps evaluates performance at GCSE and A levels. The School uses this data to assess value-added performance, against which a summary of outcomes is prepared annually for the Governing Body;
- continue to use academic rolling development plans across the School and review these annually through department review meetings;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- continue to use a rigorous Personal Development Review (PDR) process involving the observation of lessons and the close scrutiny of all departments;
- maintain the House structure, which continues to be one of the defining features of life at Rugby School;
- provide enhanced CPD and research opportunities (learning awards) for all staff, including learning awards, a Pastoral Leadership Qualification through HMC and lunchtime INSED opportunities;
- enhance the process of Levee appointments and enhancing prefect training, including a programme of Graydin coaching;

- increase the number of co-curricular, student-led opportunities and establish a specified student-led enrichment hour in the Scheme of Hours;
- develop further vocational societies;
- provide appropriate high quality educational facilities;
- offer opportunities to day students through the Lawrence Sheriff Foundation awards and bursaries;
- identify suitable candidates for Arnold Foundation funded places at the School through links with partner charities and schools in the maintained sector and working with The SpringBoard Bursaries Foundation;
- continue to emphasise the role of the chaplaincy.

Charitable Merger of Bilton Grange Preparatory School into Rugby School
On 6 January 2020, the assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger. Bilton Grange Prep School is a co-educational day boarding nursery, pre-prep and preparatory school for students aged from 3-13 years old. It operates a 3+ Nursery called The Nest, a Pre-Prep Department up to Year 3 and then a Prep Department up to sixth form (Year 8).

Review of the Year's Achievements and Performance

Principal activities of the year
Rugby School has 13 boarding houses and two day houses for 13–18 year old students. Bilton Grange is a predominantly day school for students aged from 3–13 years old, however it also has a boarding house for boys and a boarding house for girls in its Prep department.

The average number of students in Rugby School during the year was 842 (2020: 815). The total number of boarders was 658, which maintains the boarder/day ratio at approximately 80/20. The average number of students of Reception age up to sixth form in Bilton Grange was 305 (2020: 302) of whom the average number of boarders was 43.

The School's activities and strategy over the year have continued to support the School's Development Plan. The School has maintained its high academic performance and its position as one of the leading co-educational boarding schools in the UK and the world.

Educational Performance
The exam results for summer 2021 were as follows:

All figures in percent	2021	2020	2019	2018	Eng. 2021	Eng. 2020
A Levels (including Pre-U)						
A* - A	83.3	70.5	63.8	60.9	44.3	38.1
A* - B	95.6	90.8	85.4	85.7		
A* - E (pass)	100.0	100.0	100.0	99.8		
GCSE						
A* / 9 - 8	77.7	66.4	61.9	57.4		
A* - A / 9 - 7	91.7	85.9	77.0	81.8	30.0	27.5
A*- B	97.7	95.5	86.8	94.5		
A*- C (pass) / 9 - 4	100.0	100.0	97.7	99.5	79.1	78.8

As previously noted, the School aims to offer far more than a strong academic performance. The Governing Body and staff place particular importance on robust and effective systems and processes for the pastoral care, support and guidance of our students.

The School continues to offer a very broad range of cultural, artistic, sporting and musical opportunities as well as involving its students with the outside community, especially in collaboration with social services and through partnerships with local secondary schools. Some of the principal achievements of the School were:

- the school opened again in the Advent Term (September) 2020 under re restrictions advised by the DfE. Those students who were required to isolate or who were unable to return to School from overseas accessed all their live lessons online in a 'hybrid' format. For those who lived in time zones that made some lessons impractical to access, live lessons were recorded and made accessible on video recordings.
- The restrictions did not prevent the school from pursuing its whole person ethos as far as was safe. Sports training continued, as did music and drama, in an appropriately risk assessed manner. Student social interactions were carefully managed to balance the psychological risk of isolation within boarding households against the risks of COVID-19 within the context of government guidance. The result was that our students benefitted from as good a wholistic education as was possible in the circumstance.
- the closure of the school site in January 2021 as a result of the Covid-19 pandemic caused Rugby School to move its educational provision online through to the end of the Lent Term. At very short notice a full timetable of lessons was once again taught live online, academic enrichment events continued live online, sports, music, drama and other activities also continued to take place through the online medium making use of the Microsoft Office software suite with students logging in from around the world;
- as a consequence an exceptional programme of academic and co-curricular enrichment with over 150 clubs and societies was maintained (albeit with an element of online provision);
- excellent value-added results at both GCSE and A Level following TAGs led admittance to universities to remain strong, with almost all students progressing to university directly or following a gap year;
- outstanding results in academic competitions e.g. over 100 in UKMT Senior Maths Challenge;
- accreditation to begin teaching the International Baccalaureate Diploma Programme was awarded and teaching has now commenced as of September 2021;
- a Community Action Programme remained in place, suitably adjusted with an online rather than face-to-face medium, that enabled students to volunteer on different days of the week to participate in a wide range of community-based activities;
- In response to global and national events Rugby redesigned its PSHE and RSE provision to give greater emphasis to developing student thinking and understanding of the perspectives of people who are different from themselves and to encourage the further growth of our inclusive and sensitive culture.
- at Bilton Grange, a similar online learning environment was put in place at short notice with age appropriate online teaching provided for pupils from as young as 3+ to the full teaching programme for those at the top end of the School. Bilton Grange also contributed to the national need to keep the emergency services going and offered onsite teaching and learning for the children of key workers even as it provided a full remote learning approach for all students;
- students from Bilton Grange won a number of scholarships as they moved on to a range of public schools with the majority of Bilton Grange's leaving sixth formers and scholars progressing to Rugby;
- Across Rugby and Bilton Grange, all staff participated in a series of training sessions aimed at further developing our inclusive teaching and working culture.

- in 2020/21, 38% of Rugby School's students received concessions through Rugby School's Scholarships, Lawrence Sheriff Foundationships and Arnold Foundation schemes. These awards entitle students to financial assistance up to 100% of fees, subject to parental means testing;
- During the year, financial support towards the Rugby School fees was thereby provided for 314 students, representing 40% of students in Rugby School, including a significant number of students in receipt of a bursary for the full value of the School fees. A further 78 students at Bilton Grange received some form of financial support representing 26% of the students in Bilton Grange;
- we are particularly proud of our continued efforts to build on and develop student mentoring for Arnold Foundation students as part of our support for them.

Co-curricular highlights of the year
We were delighted to be awarded The Week's 'Best of the Best' award as 'Great for Co-curricular' and shortlisted for the Final of the TES awards for 'Best at Sports' award. This confirms that our co-curricular provision is amongst the best in the country thanks to a team of energetic staff who passionately believe that developing the whole person engenders life skills in our young people which changes their lives.

Preparing for the return to school and adapting to COVID restrictions challenged staff but the co-curricular programme was adapted, augmented and thrived despite the new challenges imposed.

Livestream
A positive outcome of the pandemic has been the development of a You Tube channel where music and drama performances were livestreamed, and Chapel was broadcast to the wider Rugby community around the world. The Macready was closed as a professional theatre, however the School hosted two performances from professional companies: one was to celebrate Black History month and the other a GCSE set text. Both were watched by a socially distanced Rugby School audience and live streamed to local state schools and to other schools across the world, including China. Generous sponsorship from Cemex paid for this to be free for all local state schools.

Rugby 360
The Community Action programme was re-launched as Rugby 360 with a new energy and dynamism. There was a focus on participation and engagement from all pupils in the XX to D Block and staff with service given by those who go into the community but also by bringing the community into Rugby School. Despite COVID-19 and having to diversify and move online, the programme flourished, with all 540 students from the XX to D Block being involved with service education every week.

Another benefit of the restrictions that COVID imposed was the creation of some new service initiatives and partnerships. These include mentoring younger students through the Rugby Portobello Trust in London via Zoom, weekly meetings with children from the Huruma slum in Kenya, as well as supporting care homes through the NHS charity 'Kissing it Better'. A group of 20 LXX and DB pupils volunteered their time and resources to introduce clubs and societies for students at Bilton Grange. Some of these new initiatives are expected to continue once COVID restrictions are lifted.

Pupil leadership
All co-curricular areas, including clubs and societies, were focused on developing pupil leadership. Clubs & Societies moved to being predominantly pupil-led with staff sponsors mentoring the pupil leaders to allow leadership characteristics and skills to grow. 15 pupils completed their nationally recognised Sports Leaders qualification and were also awarded their Level 2 Certificate in Coaching (Sport & Physical Activity). As COVID restrictions were lifted, these pupils started to go out into local primary schools to lead after-school sports sessions.

Duke of Edinburgh
Nearly 500 students completed their Bronze, Silver and Gold Duke of Edinburgh expeditions in June 2021. This enabled us to catch up on the expeditions postponed during the summer of 2020 due to the pandemic.

Music
Three pupils were awarded places in the inaugural School Organists' Association Young Organists' Competition. This is a success following a promotion of organ playing at both Rugby School and Bilton Grange, particularly after the refurbishment of the Chapel organ.

The whole of Rugby School gathered in Chapel for the first time since March 2020 on Monday 21 June 2021. Following a hymn practice, Rugby School was then recorded by BBC Radio 4 for their Sunday Worship which was broadcast 'as live' on Sunday 27 June 2021. The Temple Consort were also recorded by BBC Radio 3 for two Choral Evensongs which were broadcast over the summer. Rugby School remains one of only a very few schools to be asked to regularly contribute to Radio 3 & 4.

LAMDA, ABRSM & Trinity music and drama examinations took place in person for the first time since March 2020. The School then saw record numbers of pupils take these examinations in the final weeks of the year despite most of their preparation being in online lessons.

Rugby School also enjoyed two Summer Concerts in the TSR in the final weeks of term; one showcased the work that the strings and orchestra ensembles have done over the past year during lockdown and the other for wind and brass.

Performing Arts
Rugby School was accepted onto the National Theatre's Connections programme where the School worked with an up-and-coming young writer to premier their play at Rugby before taking it to Derby Theatre. The performance had an enormous cast of 55 E and F Block actors in the show. The newly established LAMDA and Dance Showcase also took place in the Macready, however Government regulations meant that there could not be a live audience, but it was livestreamed to a large audience of pupils, staff and parents.

The School saw a return of the Festival on The Close in the last week of term. Due to Covid, this was pared down from previous years with limits on combining the School and the public at the Festival stage. The School aims to resume this element of the Festival in June 2022. The evening performances were by Rugby School pupils who performed to the Rugby School community. These included the Concerto Concert, where the School's very best musicians play accompanied by a professional orchestra; Macbeth, the main School production which could not take place in February; the E & F Block National Theatre commissioned-play; as well as other pupil performances and a finale of Rock and Pop bands. The Festival's main focus was on the workshops which took place during the afternoons. There were a wide range of external facilitators who came to Rugby School to inspire and enthuse both the School's students and those from local schools who joined each afternoon.

The traditional First Schools' Day, which could not take place in March, was amalgamated into the Festival on The Close. This was renamed 'Festival on The Close Service Day' to coincide with our renewed focus on service and the launch of Rugby 360. Nearly 400 primary school pupils visited the School from five local schools including two special schools. Through ongoing Rugby 360 activities we are developing and nurturing our relationship with both Brooke School and QUEST academy as we try to expand the horizons of our pupils beyond mainstream education. Rugby School pupils finished the year by delivering bespoke workshops to the primary school pupils who visit. There were workshops involving community scientists, linguists, sports leaders and art and design pupils. As part of the outreach of the day we worked with the Royal Birmingham Conservatoire Leap ensemble and the Birmingham Royal Ballet. As part of the picnic on The Close, Primary pupils watched a performance of Wild by contemporary dance company, Motionhouse, whilst enjoying their packed lunch. A supplementary part of the programme saw students from Rugby School leave the campus and head into four local primary schools to deliver workshops in their own schools. Overall, our workshops involved over 800 primary school pupils.

Sport

The School rebranded and updated its sports kit after partnering with Kukri sport and moving sales to their online website. The School also updated tis sports scholarship programme and renamed it 'Aspiring Athletic Performer (AAP) Programme' to incorporate Sports Scholars and other talented pupils. The School provided support and mentoring for 68 AAPs. All AAPs received individual development plans that targeted shared goals within sport, and this was supported by 1:1 coaching, fitness testing, strength and conditioning sessions and a personal sports mentor.

Girls' cricket is now fully established after a five-year development programme. Following an introduction several years ago and matches played on Caldecotts and OBS, the first ever Girls' XI match was played on NBS. The refurbishment of the Near Turf astro was completed with it becoming the showcase hockey pitch.

A programme of home sports fixtures resumed following Covid at the start of the Trinity term with the boys' cricket XI playing Rugby Cricket Club. This was swiftly followed by our first away fixtures since COVID disrupted organised sport. The School was able to welcome parents to home fixtures following the May update to the Government guidance on Covid.

The year also saw the return of Sports Day and House athletics returned on the penultimate day of term as boys' Houses continue to compete for the Wrigley Cup and girls' Houses competed for the Charles Prest Cup.

Six girls are part of the Wasps netball squad. Two pupils were invited to Performance Centre hockey and prepared for selection for the England Hockey Futures Cup.

In cricket, Jacob Bethell represented Warwickshire CCC 2nd XI in a number of one-day and four-day matches. Ffion Purvis represented Warwickshire Ladies. Her School batting performances have caught the eye having scored over 250 runs before being out in any match. Edward Delville-Jones was selected into the GB cycling team. Albert Sitwell who won the Midlands Tour Grade 5 tennis tournament.

Other memorable moment of the year

The whole School gathered in a socially-distanced manner on The Close to mark the Duke of Edinburgh's funeral, a wonderful sign of unity within our community. The CCF were in attendance which was their first uniformed appearance since March 2020.

The School enjoyed some visiting speakers with engagement from large groups of pupils and staff despite these being online. Stuart Lawrence, Stephen Lawrence's brother, inspired the School with the challenge to overcome injustice, fight racism and live life to the full as part of the School's Stephen Lawrence Day awareness. Matt Dickinson, author and journalist, led a session with the E and F Block as well as a group of English A Level students, encouraging their creative writing skills. Ulrich Ladurner, author and journalist, a spoke about the impact of Brexit on Anglo-European relations. Ellie Holland, spoke to the Engineering Society on 'It's a women's world too'.

The new Levée were appointed just after Easter. Eight new enthusiastic LXX pupils started as the Co-curricular Levée. They have chosen to focus on participation, communication, mentorship and partnerships as their objectives for their year in office. To ensure participation and change, they have created inaugural Co-curricular Councils (Art & Design, Music, Performing Arts, Rugby 360, Sport) which each contain 9 pupils from a variety of year groups who will sit on their council for the year.

Plans for Future Years

The Governing Body continues to pursue the School's general objectives as set out earlier. The Governing Body has also set the following aims for the academic year 2021/22:

- to maintain the School's commitment to high academic standards;
- to facilitate curriculum, student and staff development through the implementation of an academic rolling plan;
- to enable our students to gain admittance to the best universities and courses they can;
- to develop the provision at Bilton Grange Preparatory School as a core part of the Rugby Group of Schools;
- to continue the pioneering work of the Arnold Foundation and use the bursaries programmes (Arnold Foundation and Lawrence Sheriff) to ensure that access to the School is as wide as possible;
- to develop a plan for outstanding and forward thinking emotional and physical health and well-being vision for 2022;
- to continue to explore opportunities to open overseas schools in partnership with suitable investors;
- to continue to develop and strengthen the 'Whole Person Whole Point' brand using positive and inspiring examples to illustrate our ethos in action;
- to plan and set up for the introduction of the International Baccalaureate in September 2021;
- to continue to improve the School's facilities and to protect the historic environment through capital projects to provide outstanding facilities that are safe, secure and inspirational places to live and work in;
- to continue to improve the sustainability of the School estate through an ongoing programme of capital investment.

Strategic development plans are presented to and reviewed by the Governing Body at least annually.

Public Benefit Objectives

In setting the School's objectives and planning its activities the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Widening access to the School

The Governing Body is conscious that the schools must remain accessible to talented children, irrespective of parental means. This was the main driving force for the launch of the Arnold Foundation for Rugby School in late 2002. As of September 2021, 156 students and former students had benefited from support provided by the Foundation since 2004. The Governing Body thanks all the donors who have contributed to this result and is delighted that there were 27 Arnold Foundation funded students at the School during 2020/21. In September 2021 the number of students in the School who are funded by the Arnold Foundation is 28.

Long before the launch of the Arnold Foundation for Rugby School, the School funded from its endowed and restricted funds a large number of scholarships, bursaries and concessions.

The Governing Body is determined to ensure that these are directed to cases of greatest need; therefore scholarship and foundation scholarship awards are initially for a maximum of 5% of fees, such scholarships being, however, augmentable (up to 100% if necessary) based upon an assessment of parental means.

Bursaries policy

The School's policy is to award scholarships on the basis of an individual's educational potential. The School provides bursaries and augmentations, up to 100% of fees subject to means-tested assessments, to those students whose education may be at risk due to financial hardship or to make places available for deserving students from families who might otherwise not be able to afford school fees.

The total cost of scholarships, bursaries and augmentations during the year was £4.4 million (2020: £4.4 million) for the School including those of Bilton Grange.

Approximately a third of students receive awards. Awards entitle students to financial assistance up to 100% of fees, subject to parental means tests.

Contribution to local schools

One fifth of the annual net income from the London Estate totalling £0.67 million (2020: £0.78 million) was paid to our neighbour, Lawrence Sheriff School, which operates in the state sector.

Community partnerships and services

The School aims to be a good neighbour in its local community and to develop mutually beneficial partnerships wherever possible.

Such initiatives have included those detailed above in the Review of the Year's Achievements and Performance as well as:

- members of staff contributed their time voluntarily to a number of charitable causes such as assisting in the running of the Bradby Club, the Rugby Portobello Trust, and the Lawrence Sheriff Almshouses as well as acting as governors of a number of local primary schools;

- the School opened its sports and other facilities to many local individuals and organisations (including other schools) charging rates below those applying to commercial businesses, sometimes providing facilities free of charge;
- both Rugby School and Bilton Grange's facilities are provided free of charge for a number of charitable fund-raising activities including school sports days, concerts, plays, art exhibitions local sporting organisations; and
- numerous local choirs and orchestras have held rehearsals and concerts in a number of School venues during the course of the year and the School has also hosted several events involving local schools.

Fundraising

Members of the School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and the School. Neither the School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

The School is registered with the Fundraising Regulator and operates according to the Code of Fundraising Practice.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Group Structure

The School's consolidated report and financial statements include the activities and results of its wholly-owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited and also of three associated charities – the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund. The trustees of these associated charities are all appointed by the Governing Body of Rugby School.

Rugby School Enterprises Limited
The principal aim of this trading subsidiary is to generate income from the use of the School's facilities when not required for their principal educational purpose, and particularly during holiday periods. The company operates language and other courses, operates the School shop and also runs a Sports Centre which is open to the public when not being used by the School. The company's distributable income for the year is gifted to the School to be used for its principal activity.

Rugby School International Limited
The principal activity of the company is the provision of support to third parties to establish new premium international schools associated with Rugby School, in relation to using the School's trademarks and know-how.

Rugby School Projects Limited
This subsidiary company supplies design and build services and in March 2019 completed the construction of a new boarding house for the School.

The Arnold Foundation for Rugby School
The Arnold Foundation for Rugby School (the Arnold Foundation), an associated company that is also a registered charity, number 1095856, has the principal aim of raising funds for more bursary awards, widening access to the School, so that more talented people may benefit from a boarding school education at Rugby, irrespective of their parents' ability to pay the fees.

The Rugby School General Charitable Trust
Prior to the 2002 incorporation of the Arnold Foundation for Rugby School, this trust (also an associated entity) was principally engaged in raising funds from supporters of the School, usually to assist with named capital projects. From 2002, activity in this Trust has been limited to the receipt of income from covenants and legacies that were established before the Foundation's existence and for fund-raising activities not conducted through the Arnold Foundation.

The Rugby School Combined War Memorial Fund
Originally established in honour of those members of the Rugby School family who fell in the two Great Wars, this trust (an associated entity) uses its investment income to fund scholarships or bursaries awarded to the children of Rugbeians who meet the criteria for financial assistance to attend or remain at Rugby School. The Trustees have expanded the Fund's objects by way of a Charity Commission Scheme in order to allow it to also support the children of those working in the emergency services and the NHS.

Financial Review

The School endeavours to ensure financial stability and continuing solvency year on year so that it can pursue its educational aims and objectives. Rugby School's management continues to recognise the importance of strong cost control, seeking to contain cost increases as much as possible while ensuring that the School continues to deliver first class education and pastoral care.

The School's charitable activities continue to be the main source of the Charity's consolidated income and expenditure.

The School's operations for the year ended 30 June 2021 resulted in a breakeven figure (2020: £0.5 million deficit), after charging £3.74 million (2020: £3.60 million) for depreciation on the School's property and equipment, but before pension revaluation adjustments under FRS 102.

The consolidated net incoming resource for the year, before adjusting for scholarships and bursaries, was £3.8 million (2020: £14.7 million) which, in addition to the School's operating surplus, included:

- a reduction in fees in Lent Term 2021 related to the educational provision being on a remote basis for part of that time due to a pandemic related lockdown;
- a reduction in contributions from commercial enterprises as the School's results were impacted by the pandemic in the performance of its enterprises business and its international arm, which nevertheless contributed net funds to the group of £212,000;

- the furloughing of a number of sports centre and other non-teaching staff under the Government's Coronavirus Job Retention Scheme (CJRS), to mitigate the cash flow impact of the pandemic. This was in line with the Government's plans under the scheme to protect employment across sectors that could otherwise not operate. The School received support under the scheme from the government during the year equating to 4.5% of its annual staff costs. The School did not furlough teaching staff, as they were able to teach remotely. Noting that most of those furloughed were staff in the lowest quartile by hourly pay, the School opted to supplement the amount paid by the Government (80%) towards these staff to support their income to be at their normal pay level;
- the Arnold Foundation for Rugby School received endowed funds of £187,000 and restricted funds of £476,000 during the year;
- £590,000 was raised due to the auction proceeds from the sale of rare books which have been designated for the Bloxam Fund;
- a net transfer of £2.6 million from the London Estate, after the payment of the one-fifth share to Lawrence Sheriff School;
- other restricted funds in the Statement of Financial Activities include the School's Special Funds, the General Charitable Trust and the War Memorial Fund, which have generated combined net income (before realised and unrealised investment gains) of £0.2 million in the year, before providing for scholarships and bursaries;
- £4.4 million (representing 13.3% of gross fees) was used to fund scholarship and bursary awards. Assistance towards payment of the fees in this way was provided to a total of 338 students across Rugby School and Bilton Grange.

This left a consolidated net deficit before the revaluation of investments of £0.7 million (2020: £10.5 million surplus).

Including the year-end revaluation on investments, which are substantially either restricted or endowment related, and the pension scheme actuarial revaluation, there was a net increase in the Charity's funds for the year of £15.9 million (2020: £2.3 million) as the financial and property investments saw a recovery in values from the low points experienced due to the first Covid-related lockdown.

Balance Sheet

The movement of funds for the year generated total consolidated funds of £228 million standing to the credit of the School as at 30 June 2021 after including the merger of Bilton Grange. The underlying assets and liabilities are set out in the Balance Sheet and further analysed in the notes which accompany the financial statements.

Funds

The results of School operations (fees and related income less expenditure to administer, maintain and develop the School) are identified separately within the body of the financial statements. The use of net funds generated by this activity is unrestricted.

Endowed funds are predominantly represented by the London Estate, consisting principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial, retail and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four-fifths which remain, the primary use is to fund foundations, scholarships and bursaries. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Restricted funds can only be used for specified purposes and, accordingly, the School accounts separately for such assets, and for the income and expenditure related to them. The Consolidated Statement of Financial Activities further analyses these restricted funds as Special funds, consisting principally of fixed interest bearing securities and holdings in investment trusts and equities, many of which arose originally from bequests for specific purposes, such as scholarships, bursaries and prizes. The annual net income from such funds is used exclusively for the specified purposes, with any unallocated amounts being carried forward for the specific purposes in future years.

Other restricted funds consist primarily of gifts and legacies received through the Arnold Foundation for Rugby School, but also through the General Charitable Trust and the War Memorial Fund (see above). Gifts from the General Charitable Trust are utilised in the period. The carried forward balance of other items on the Statement of Financial Activities relates to the Arnold Foundation for Rugby School and the War Memorial Fund (see note 21).

Reserves Policy

The Governing Body has currently adopted the reserves objective that the School shall make an operating surplus after depreciation on a rolling three-year basis. The School does not expect to borrow money to cover operational requirements other than to cover short-term timing issues. The School has issued a £35 million private placement in order to fund various capital expenditure programmes in view for the coming five years.

It is the intention of the Governing Body that, on a continuing basis, the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities. In those years where there are free reserves, the School may consider advancing the capital expenditure programme or designating funds for an identified programme of capital maintenance and investment. In other years where the School may have negative free reserves, the School aims to manage the day to day working capital requirements through careful management of short term liquid resources.

The policy on the unrestricted reserves ensures that a proportion is allocated as designated funds, established in respect of:

- Fixed assets fund – the School will retain sufficient unrestricted reserves to sustain the fixed assets which are used by the School for its charitable activities.
- New boarding house fund – the School set aside monies towards the cost of building a new boarding house as part of the refurbishment of the School's existing boarding accommodation.
- Building maintenance fund - the School is setting aside additional monies towards the costs of maintaining the School's facilities as part of its development plans.
- Rugby School Enterprises fund – the funds gifted to the School by the trading subsidiary are to be utilised on projects determined by the Governing Body which benefit a significant proportion of the School's community. During the current year this encompassed the provision of additional scholarships.

The financial statements indicate that the majority of the school's unrestricted funds of £70 million (see note 22) are invested in premises and equipment of £56 million, £19 million in other designated funds as described above, leaving general unrestricted funds, or free reserves at a deficit of £3.5 million before any pension provision. Given the financial strength of the School, in particular the endowment investments, the Governing Body is satisfied that this is adequate.

The Governing Body prepares a detailed long-term plan having regard to the School's financial and physical resources, so that at all times the School retains the strength and flexibility to respond to contingencies and to longer term needs that may not be currently foreseen. Accordingly, the Governing Body consider that the School and the group have adequate resources and flexibility for the foreseeable future and consequently the adoption of the going concern basis is appropriate in preparing the financial statements. The reserves policy is monitored by the Finance & Audit Committee and is reviewed annually.

Fundraising Performance

The Arnold Foundation received £0.67 million of donations and legacies in the year. These funds will be applied for the specific aim of providing means-tested bursary awards to those students whose parents would not otherwise be able to afford an education at Rugby School.

Investment Performance

In relation to its financial investments, the Governing Body aims to optimise the returns generated by the investments such that, over the long term, the capital values are, at the least, maintained when adjusted for inflation.

This objective will be achieved if the benchmark, determined for each fund, is exceeded by at least 0.5% per annum on a rolling 3, 5 and 10 year period, provided the total return targets are also met.

There are no specific restrictions other than that the investments should be suitable for trusts. The School's investment performance is monitored regularly against objectives by the Investment Committee.

Governance and Management

Charity Governance Code

The Governing Body understands that effective governance is critical in running the charity and uses the Charity Governance Code as an important tool in assisting with the continuous review of governance of the Charity.

Governing Body

The School is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922.

Appointments, Recruitment and Training of Governors

Under the statutes, there is one nominated Governor and other members are appointed by the Governing Body itself. The Governors and principal officers are named on page 3 and 4 of this report.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2021

At the end of the 2019-20 school year, on 4 July 2020, The Chairman of the Governing Body, Mrs Lucinda Holmes and the Deputy Chairman, Mr Robert Hingley retired and were replaced by Mr Barry O'Brien and Mr Jake Elmhirst respectively. Mr David Bennett stepped down as a governor on 4 July 2020. Resignations at the end of the 2020-21 school year included Prof Chris Howe, Mrs Helen Jackson, Mr Simon Lebus and Mr Gareth Lloyd-Jones on 3 July 2021. Ms Gemma Woodward resigned as a governor on 16 January 2022. On 17 November 2020, Mr Nick Bacon and Ms Claire Wills were appointed as governors. Ms Audrey Pantelis was appointed as a governor on 10 March 2021. The Reverend Canon Dr Mark Pryce was appointed as a governor on 1 September 2021. Ms Caroline Coates was appointed as a governor on 5 November 2021.

Where the Governing Body itself co-opts a new member, this follows a selection process and a recommendation from its Nominations Committee. Governors are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Governors visit the school for induction, receive key information relating to the charity and sign an appointment letter. All Governors are encouraged to attend the annual strategic planning meeting which often incorporates trustee-training issues.

The Governing Body's voluntary code on retirements provides that, with the exception of the Lord Lieutenant and the Chairman and Deputy Chairman, members of the Governing Body do not normally serve more than ten years, unless, in exceptional circumstances, the Governing Body determines otherwise.

Governance
The Governing Body is responsible for the overall management and control of the School and meets at least once a term. Its principal responsibilities are to:

- ensure that the School is run in accordance with its charitable objectives and that all the functions of the school are authorised by the powers provided by its statutes and regulations and by charity law;
- act in the best interests of the School and current and future beneficiaries at all times;
- appoint the Executive Head Master and after consultation with the Executive Head Master, the Chief Operating Officer, the Deputy Executive Head, the Head of Rugby School and the Head of Bilton Grange, the Deputy Head(s) and the Assistant Head(s) and approve their terms and conditions;
- in consultation with the Executive Head Master and his management team, set the strategy and policies by which the School will be run;
- approve the Development Plan;
- ensure that the School meets the objectives that the Governing Body sets from time to time.
- control finance by approving realistic budgets and longer-term plans and by approving systems and safeguards that optimise the chances that they will be achieved;
- ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- understand the extent of duties in relation to risk management and to legal compliance and be satisfied that there is a rolling programme for meeting them;
- ensure that competent professional advice is taken when necessary;
- appoint a Chairman and Deputy Chairman;
- appoint members to its committees; and
- review and approve the terms of reference and the output of these committees.

Organisational Management

Governing Body Committees

The Governing Body has appointed the following committees (shown alphabetically) of its members to oversee the activities set out below. Membership is supplemented by the attendance of some of the principal officers of the School and by others with appropriate specialist knowledge. All these committees report regularly to the Governing Body and their terms of reference are reviewed annually.

- Academic Committee: Review of academic policies and performance.
- Arnold Foundation Committee: Advise and support the trustees of the Arnold Foundation and the Governing Body in raising funds for the Arnold Foundation.
- Risk, Compliance and Safeguarding Committee: Legislation and inspection compliance, risk management.
- Finance, Audit and Estates Committee: Financial policy and general operations relating to the running of the School.
- Audit Committee: The Audit Committee is effectively a sub-committee of FAE and addresses financial reporting, systems and controls.
- International Development Committee: Formulation of the strategy for Rugby School's international development and recommend international projects.
- Investment Committee: Management and administration of Special Funds and all other non-property investments. The Governing Body have agreed that the School's investment portfolio be managed on a discretionary basis by its Investment Managers subject to policies and objectives that the Governing Body establishes from time to time having regard to the Investment Committee's recommendations.
- Nominations Committee: Review of Governing Body membership, including recommendations of individuals who might be co-opted to the Governing Body.

Membership of these committees is shown on pages 3 and 4.

Key Management Personnel

The Governing Body delegates the daily management of the School to the Executive Head Master. The Executive Head Master is aided by other Key Management Personnel as detailed below.

Remuneration of the Key Management Personnel is set by the Nominations Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contributions to the School's success.

Changes to Organisational Management in 2020-21

From September 2020, the School and the Governing Body made changes to the organisational management of the School with Peter Green and Neil Hampton assuming the roles of Executive Head Master and Executive Deputy Head, respectively, and Gareth Parker Jones assuming the role of Head of Rugby School. Alex Osiatynski continued in the role of Head of Bilton Grange. The Executive Head Master manages the School via an executive leadership group at the strategic level supported by the respective Senior Management Teams at Rugby School and Bilton Grange working at an operational level.

The Executive Leadership Group comprised the Executive Head Master, the Chief Operating Officer, who is also Clerk to the Governing Body, the Executive Deputy Head the Head of Rugby School and the Head of Bilton Grange, the Development Director the Estates Director, the Finance Director, the HR Director, the International Development Director and the School Chaplain.

The Leadership Group of the School comprised the SMTs of the schools together with the Operations and Administration Management Group and any other members of the Executive Leadership Group.

Support

The School and the Governing Body greatly appreciate the important and valuable support given to the School in so many ways by Rugbeians and many other friends of the School. Above all, the Governing Body remains deeply grateful to the entire staff, both teaching and operational and administrative, whose unstinting hard work and loyalty has enabled the School to achieve its major objectives.

Principal Risk and Risk Management

The Governing Body conducts annually a review of risk assessments undertaken by the School's management to identify the major risks to which the School (and the subsidiary and associated entities covered by this report) is exposed, and the systems for their mitigation. The Governing Body's Risk, Compliance and Safeguarding Committee reviews the School's Risk Management Report termly.

The Governing Body considers the principal risks faced by the School to be:

- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- the ability to continue to provide education in the face of a pandemic;
- an inappropriate mix of students or unfilled student places;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the School's control, such as changes in legislation.

In the opinion of the Governing Body, the School (and the subsidiary and associated entities) has established resources and review systems which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2021

Statement of Governing Body responsibilities in respect of the Annual Report and the Financial Statements

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

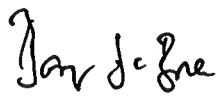
The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. 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.

Auditors

Crowe UK LLP has indicated its willingness to be re-appointed as statutory auditors.

Approval

This report and the accompanying financial statements were approved by the Governing Body on 2 March 2022.



B O'Brien, Chairman

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL

Opinion

We have audited the financial statements of Rugby School for the year ended 30 June 2021 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 June 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF RUGBY SCHOOL *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, 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 the parent 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 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 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe UK LLP
Statutory Auditor
Cheltenham

Date: 25 March 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2021

	Funds:	Unrestricted	Endowed	Restricted	2021	Unrestricted	Endowed	Restricted	2020
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM:									
Charitable Activities									
School fees receivable	2	31,807	-	-	**31,807**	27,516	-	-	27,516
Ancillary trading income	4	948	-	-	**948**	850	-	13	863
Other Trading Activities									
Trading income (non-ancillary)	5	873	-	-	**873**	2,114	-	-	2,114
Investments									
Investment income	6	286	64	4,829	**5,179**	134	74	5,385	5,593
Voluntary Sources									
Donations and legacies		187	188	532	**907**	893	101	730	1,724
Bilton Grange Merger by Donation		-	-	-	**-**	9,185	150	-	9,335
Sale of long-held donated assets		-	-	-	**-**	-	-	-	-
Other		1,498	-	6	**1,504**	942	-	100	1,042
Total Income		35,599	252	5,367	**41,218**	41,634	325	6,228	48,187
EXPENDITURE ON:									
Raising Funds									
Trading	7	596	-	-	**596**	1,086	-	-	1,086
Financing costs		268	-	-	**268**	122	-	-	122
Investment management costs		10	-	1,892	**1,902**	12	-	1,816	1,828
Fund-raising and development		-	-	372	**372**	-	-	302	302
Total cost of fundraising		874	-	2,264	**3,138**	1,220	-	2,118	3,338
Charitable Activities									
School operations		34,026	-	-	**34,026**	29,896	2	-	29,898
Scholarships, bursaries and prizes	3	-	-	4,131	**4,131**	-	-	3,664	3,664
Payment to Lawrence Sheriff School	9	-	-	667	**667**	-	-	776	776
Costs of Charitable Activities		34,026	-	4,798	**38,824**	29,896	2	4,440	34,338
Total Expenditure	7	34,900	-	7,062	**41,962**	31,116	2	6,560	37,678
Net Incoming Funds from Operations		699	252	(1,695)	**(744)**	10,518	323	(332)	10,510
Net gains/(losses) on investments	13	2,412	8,544	4,429	**15,385**	(290)	(7,543)	535	(7,298)
Net Income		3,111	8,796	2,734	**14,641**	10,228	(7,220)	204	3,212
Transfer between funds	20,21,22	-	(599)	599	**-**	(2,024)	-	2,024	-
Actuarial (loss)/gain on defined benefit pension scheme	18	1,240	-	-	**1,240**	(956)	-	-	(956)
NET MOVEMENT IN FUNDS		4,351	8,197	3,333	**15,881**	7,248	(7,220)	2,228	2,256
Reconciliation of Funds									
Balances brought forward at 1 July		**65,779**	**124,612**	**21,392**	**211,783**	**58,531**	**131,832**	**19,164**	209,527
BALANCES CARRIED FORWARD at 30 June		**70,130**	**132,809**	**24,725**	**227,664**	**65,779**	**124,612**	**21,392**	211,783

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
BALANCE SHEETS
AS AT 30 JUNE 2021

	Notes	Parent Charity 2021 £'000	Parent Charity 2020 £'000	Consolidated 2021 £'000	Consolidated 2020 £'000
FIXED ASSETS					
Freehold properties, fixtures & equipment	12	**56,115**	56,399	**56,115**	56,399
Investments	13	**150,203**	139,391	**171,787**	156,879
		206,318	195,790	**227,902**	213,278
CURRENT ASSETS					
Stock		**1**	8	**61**	98
Debtors	14	**6,811**	4,929	**6,261**	4,600
Investments - deposits		**680**	242	**680**	242
Bank and cash		**6,915**	7,749	**7,093**	7,848
		14,407	12,928	**14,095**	12,778
CURRENT LIABILITIES					
Creditors due within one year	15	**(9,132)**	(8,111)	**(9,365)**	(8,321)
NET CURRENT ASSETS		**5,275**	4,817	**4,729**	4,454
TOTAL ASSETS LESS CURRENT LIABILITIES		**211,593**	200,607	**232,631**	217,732
CREDITORS due after more than one year	16	**(3,615)**	(3,400)	**(3,615)**	(3,400)
NET ASSETS EXCLUDING PENSION LIABILITY		**207,978**	197,207	**229,016**	214,332
PROVISIONS					
Defined benefit pension scheme liability	18	**(1,352)**	(2,549)	**(1,352)**	(2,549)
NET ASSETS INCLUDING PENSION LIABILITY	19	**206,626**	194,657	**227,664**	211,783
FUNDS OF THE CHARITY:					
Endowment funds	20	**121,521**	115,708	**132,809**	124,612
Restricted funds	21	**14,967**	13,170	**24,725**	21,392
Unrestricted funds:					
Unrestricted income funds		**71,490**	68,328	**71,482**	68,328
Pension reserve		**(1,352)**	(2,549)	**(1,352)**	(2,549)
Total unrestricted funds	22	**70,138**	65,779	**70,130**	65,779
TOTAL CHARITY FUNDS		**206,626**	194,657	**227,664**	211,783

The deficit for the financial year in the financial statements of the parent charity was £21 thousand (2020: surplus of £0.5 million).

Approved by the Governing Body on 2 March 2022 and signed on their behalf by:

B J O'Brien – Chairman of Governing Body

P A Nicholls – Chief Operating Officer

R J A Elmhirst – Chairman of Finance Committee

The notes on pages 28 to 55 form part of these financial statements.

THE GOVERNING BODY OF RUGBY SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated	
	2021	2020
	£'000	£'000
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**(746)**	10,510
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(634)**	(638)
Endowment donations	**(187)**	(251)
Depreciation	**3,739**	3,602
Transfer of Fixed Assets from Bilton Grange merger (@ NBV)	**-**	(4,727)
Decrease/(Increase) in stocks	**37**	83
(increase)Decrease in debtors	**(1,661)**	8,007
Increase in creditors	**1,245**	1,131
Increase/(Decrease) in Fees in advance scheme	**(45)**	(130)
Increase in pension scheme liability	**43**	38
Net cash provided by operating activities	**1,791**	17,687
Cash flows from investing activities:		
Purchase of fixed assets	**(3,455)**	(5,987)
Sale of fixed assets	**-**	-
Purchase of investments	**(15,805)**	(22,861)
Sale of investments	**16,326**	10,379
Investment income and bank interest receivable	**634**	638
Transfer (to)/from short term bank deposits	**(438)**	1,212
Net cash used in investing activities	**(2,738)**	(16,681)
Cash flows from financing activities:		
New endowments	**187**	251
Net cash provided by financing activities	**187**	251
Change in cash and cash equivalents in the reporting period	**(760)**	1,257
Cash and cash equivalents at the beginning of the reporting period	**7,848**	6,591
Cash and cash equivalents at the end of the reporting period	**7,088**	7,848
Analysis of cash and cash equivalents:		
Cash at bank	**7,093**	7,848
	7,093	7,848

The notes on pages 28 to 55 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Rugby School ("the School") is an unincorporated charity created by the will of Lawrence Sheriff in 1567 and is a recognised charity under the Charities Act 2011 registered in England & Wales (charity number 528752). Its trusts include the Will, the 1873 Scheme and the Rugby School Act 1922. The Governing Body of Rugby School is a body corporate incorporated by Act of Parliament, under the Public Schools Acts 1868, as the charity's corporate trustee. As well as being regulated by the Charities Act, the Governing Body and the School are regulated by the Public Schools Acts 1868 and 1872, by the 1873 Scheme, by the Rugby Lower School (Transfer) Act 1906 and by the Rugby School Act 1922. The principal address is The Bursary, 10 Little Church Street, Rugby, Warwickshire CV21 3AW.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS102)), Financial Reporting Standard 102 and the Charities Act 2011 and the Rugby School Act 1922. A summary of the principal accounting policies, which have been applied consistently, is set out below.

(a) Basis of Accounting

The charity meets the definition of a public benefit entity.

The Governing Body consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets, including investment properties, are carried at market value at the balance sheet date.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Basis of Consolidation

The consolidated statement of financial activities (SOFA), balance sheet and the consolidated cash flow statement include the financial statements of the School, its subsidiary undertakings and associated entities made up to 30 June 2019. The subsidiary undertakings of Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited are all trading companies. The associated entities are The Arnold Foundation for Rugby School, Rugby School General Charitable Trust and Rugby School War Memorial Fund, all of which are registered charities.

No separate SOFA has been presented for the charity in the financial statements. The balance sheet of the parent charity is represented by the column headed "parent charity" and includes the results of School operations, the London Estate and the Special Funds, all of which are included within the same legal entity.

The separate parent charity's Statement of Financial Activities (SOFA) for the year ended 30 June 2021 shows gross income, excluding gift aid and donations from group entities, of £39.4 million (2020: £44.7 million) and a total deficit of £21,349 (2020: deficit of £488,194).

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash-flow statement with the consolidated financial statements.

The consolidation has been carried out on a line-by-line basis.

(c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated net of staff concessions and sibling discounts but include contributions received from Endowed and Restricted funds for scholarships and bursaries.

The provision of scholarships, augmentations and additional financial support is reviewed at least annually.

(d) Advance Fees

The School offers parents the opportunity to pay for up to 7 years fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the student joins the School, whereupon the fees for each term are released to fee income. Amounts received as Advance Fees may be returned to parents subject to specified conditions.

(e) Donations and legacies

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities that are donated be converted to cash as soon as possible. No amounts are included in the financial statements for services generated by volunteers. Donations subject to specific wishes of the donors are retained in relevant restricted funds.

The assets and liabilities of Bilton Grange Trust Limited were transferred to the School by way of a charitable merger deed dated the on 6 January 2020. Given the nature of the transaction, the transfer has been reflected in the School's accounts as a donation. The results of the School in the year ended 30 June 2020 reflect the assets and liabilities as transferred and the operations carried out by Bilton Grange since 6 January 2020.

(f) Expenditure

All expenditure is accounted for on an accruals basis as soon as a liability is considered probable and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been apportioned according to time spent.

(g) Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include finance and human resources and are allocated on a basis consistent with the use of the resource.

(h) Governance Costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for Governing Body and costs associated with meeting constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability.

(i) Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

(j) Leased Assets

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is depreciated over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the SOFA in proportion to the remaining balance outstanding.

(k) Finance Costs

These include amounts accrued in accordance with the terms of the Advance Fee contracts.

(l) Currency

The financial statements are prepared in sterling which is the functional currency of the School.

Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

(m) Taxation

As a registered charity, the School is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Although the School is registered for VAT, School fees are exempt from VAT. Irrecoverable VAT on costs incurred is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, as appropriate.

(n) Pension Schemes

The School contributes to the Government's Teachers' Pension Scheme, a defined benefit scheme, at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The pension liability is the responsibility of the Teachers' Pension Scheme. As a result, it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, the Scheme is accounted for as if it were a defined contribution scheme.

The School also contributes to the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff, a defined benefit scheme, and the Rugby School Group Stakeholder Pension Scheme, a defined contribution scheme. The defined benefit scheme is administered by trustees and wholly invested with Baillie Gifford, at rates recommended by the Scheme Actuary. The defined contribution scheme is administered by Aviva.

(o) Tangible Fixed Assets

Expenditure on the acquisition or construction of new buildings, fixtures, fittings and equipment costing over £5,000 are capitalised and carried in the balance sheet at historical cost less depreciation. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used.

Other expenditure on fixtures and equipment incurred in the normal day-to-day running of the School and its subsidiaries, and costing less than £5,000, is charged to the SOFA as incurred.
An impairment review of fixed assets is carried out on a regular basis.

(p) Depreciation

Freehold land is not depreciated.

Depreciation of other assets is calculated to write off the cost of the tangible fixed assets, less their estimated residual value, on a straight-line basis over the expected useful economic life of the assets. Additions of freehold buildings and refurbishments are depreciated from the beginning of the year following completion.

The principal annual rates over which assets are depreciated are:

New building (incl. chapel organ)	50 years
Refurbishments	15 - 25 years
All-weather pitches and telecommunications work	15 years
Computer equipment	3 years
Other fixtures, fittings and equipment	5 years

(q) Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Investment properties (which are all held in the London Estate) are valued on an open market value basis. A formal professional valuation is carried out every 5 years and prepared on an informal basis in the intervening period. No depreciation is provided on investment properties.

Income from investments is included, together with the related tax credit, in the year in which it is receivable. Rent receivable from investment property is classified as investment income.

(r) Fund Accounting

Unrestricted funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School and have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Governing Body for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. In particular:

- permanent endowment arises where a donor intends the gift to be permanently retained. All income for spending will accrue to the appropriate restricted fund.

- expendable endowment funds are accounted for similarly, except that, if required, the capital may be converted into income for spending.

Investment income and gains are allocated to the appropriate fund.

(s) Total Return Accounting

During the year ended 30 June 2021 Rugby School, under powers granted by section 104A of the Charities Act 2011, adopted a total return approach to the investment of the London Estate Investment (non-property) Portfolio. The powers permit the Trustees to invest these funds to maximise total return and to make available a portion of the total return for expenditure each year. The intention is to receive a return of 3% each, with a minimum UTR of £500,000. Until the Trustees decide to appropriate all of the Total Return, the unappropriated portion of the Total Return shall be 'Unapplied Total Return' and remain part of the endowment.

(t) Stocks

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

(u) Reserve for Repairs, Rehabilitation and Reconstruction

In order to maintain the London Estate properties in good order, and with the authority granted by the Minister of Education, a designated reserve is set aside for repairs, rehabilitation and reconstruction. An appropriate sum is transferred to the reserve from the incoming resources of the London Estate to provide sufficient funds to meet liabilities arising in the foreseeable future.

(v) Key judgements and assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances.

The following areas have been considered:

- Pension liability. The School engages a firm of actuaries to provide expert advice about the assumptions made relating to the discount rate used, changes in retirement ages and mortality rates and the effect on the pension liability of changes in these assumptions.

- Investment property valuation. The School engages a firm of chartered surveyors to provide advice on the assumptions relating to the valuation.

(w) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value. The school and its entities only have financial assets and liabilities of a kind that qualify as basic financial instruments.

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2021 £000	2020 £000
The School's fee income comprises:		
Gross fees	**32,890**	28,881
Less scholarships/bursaries not funded from Restricted Reserves	**(220)**	(726)
Less staff, sibling and other concessions	**(863)**	(639)
School Fees Receivable (SOFA)	**31,807**	27,516
Less scholarships/bursaries/grant/prizes/other awards funded from Restricted Reserves	**(4,131)**	(3,664)
Net Fees	**27,676**	23,852
Add back from Restricted Reserve	**4,131**	3,664
	31,807	27,516

In the figures for the year ended 30 June 2021, we have separated out certain scholarships and bursaries which were supported from Designated and other Unrestricted Funds rather than from Restricted Reserves. These changes have not been reflected in the comparative figures for the year ended 30 June 2020.

3. CHARITABLE ACTIVITIES - SCHOLARSHIPS, GRANTS, PRIZES AND OTHER AWARDS

The total scholarships, grants, prizes and other awards paid for by Endowed and Restricted Funds comprise:

	2021 £000	2020 £000
Foundation Scholarships	**113**	116
Scholarships	**1,343**	942
Arnold Foundation awards (means-tested)	**1,018**	1,067
Bursaries (means-tested)	**1,656**	1,538
Contribution to School fees	**4,130**	3,663
Prizes and Exhibitions	**1**	1
	4,131	3,664

The total scholarships, grants, prizes and other awards paid for by Unrestricted Funds comprise:

	2021 £000	2020 £000
Scholarships	**220**	509
Bursaries (means-tested)	**-**	218
Contribution to School fees	**220**	727
Total scholarships, grants, prizes and other awards	**4,351**	4,391

4. CHARITABLE ACTIVITIES - OTHER INCOME

	2021	2020
	£000	£000
Other educational charitable activities		
Registration fees	**117**	99
Courses	**0**	1
Other including tradesmen discounts and settlement fees	**0**	0
	117	100
Other ancillary activities		
Extra-curricular activities and trips (recharged)	**338**	269
Other including commissions	**0**	1
	338	270
Other trading activities		
School shop, museum, tuckshop and events	**493**	493
	948	863

5. TRADING INCOME AND EXPENDITURE

	2021	2020
	£000	£000
Non-ancillary trading activities-including trading subsidiaries	**873**	2,114

Investment in subsidiary companies

The School has three wholly owned subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited and Rugby School Projects Limited, all are registered in England and Wales. The revenue accounts, cash flow, assets and liabilities are consolidated in these financial statements. Full financial statements are filed with the Registrar of Companies.

Rugby School Enterprises Limited's principal activity is to supply third parties with the School's sports, catering and other facilities when these are not required by the School. The company covenants its taxable profits to the School.

Rugby School International Limited's principal activity is the provision to third parties of support to establish new premium international schools associated with Rugby School, in relation to using the Rugby School trademarks and know-how.

Rugby School Projects Limited's principal activity is the supply of design and build construction projects.

Additionally, the School has three further associated charities - the Arnold Foundation for Rugby School, the Rugby School General Charitable Trust and the Rugby School War Memorial Fund.

Details of the significant subsidiaries and associated entities at 30 June 2021 are:

	Company registration number	Shareholding		Net Assets at 30 June 2021	Turnover (incl inv't income)	Expenditure	Profit in the Year
		%	£	£	£'000	£'000	£'000
Rugby School Enterprises Limited	2264068	100	4	(7,949)	459	467	(8)
Rugby School International Limited	10238790	100	1	1	499	499	0
Rugby School Projects Limited	10742346	100	1	1	0	0	0
The Arnold Foundation for Rugby School	4516482	-	-	18,907,791	1,246	1,446	(200)
Rugby School Combined War Memorial Fund	-	-	-	2,139,166	23	58	(35)

6. INVESTMENT INCOME

	2021	2020
	£000	£000
Rents receivable	**4,546**	4,955
Income on financial investments	**611**	600
Interest receivable on cash portfolio	**22**	38
	5,179	5,593

The rents receivable relates to leasehold property leases on the London Estate (note 13). The future cumulative minimum lease income under non-cancellable operating leases on the London Estate are as follows:

	2021	2020
	£000	£000
Cumulative Leasehold property income:		
Within one year	**2,348**	3,758
Between 1 – 5 years	**5,347**	11,476
Over 5 years	**20,659**	16,546
	28,354	31,780

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Note	Staff costs £000	Other costs £000	Deprec'n £000	**2021 Total £000**	2020 Total £000
Costs of Generating and Managing Funds:						
Trading costs		422	174	-	**596**	1,086
Fund-raising costs		203	169	-	**372**	302
Finance costs		-	268	-	**268**	122
Investment management Costs		-	1,902	-	**1,902**	1,829
		625	2,513	-	**3,138**	3,339
Charitable Activities						
School operations:						
Teaching		12,836	1,564	524	**14,924**	12,608
Welfare		925	3,547	212	**4,684**	4,320
Premises		3,452	3,595	3,003	**10,050**	8,284
Support (including ancillary trading expenditure)		2,058	1,924	-	**3,982**	4,331
Governance		88	298	-	**386**	355
School's operating costs		19,359	10,928	3,739	**34,026**	29,898
Scholarships, bursaries and prizes	3	-	4,131	-	**4,131**	3,664
Payment to Lawrence Sherriff School	9	-	667	-	**667**	776
Total Expenditure		19,984	18,239	3,739	**41,962**	37,678

Support costs are attributable to the charitable activity of the provision of education and include finance, human resources, information technology, marketing, secretarial and legal support.

8. EXPENDITURE

Total resources expended include the following amounts:

	2021 £000	2020 £000
Amounts accrued to advance fees	**5**	5
Governors' travel expenses (6 Governors)	**18**	10
Fees payable to the Charity's auditors for:		
• The audit of the Charity and Group accounts	**53**	52
• Tax services	**4**	7
• Pensions audit	**6**	6
• Financial due diligence	**15**	15

9. PAYMENT TO LAWRENCE SHERIFF SCHOOL

Under the Rugby School (Transfer) Act 1906, as amended by the Rugby School Act 1922 and an Order of the Secretary of State for Education and Science dated 30 October 1968, an annual sum is payable to Lawrence Sheriff School, consisting of the income from an initial investment of £34,500 (market value at 30 June 2021 of £957,430 (2020: £797,022)), plus one fifth of the remaining net annual income of the London Estate (before minor adjustments), plus £100. The total amount payable to Lawrence Sheriff School in respect of the 2020/21 financial year was £667,190 (2020: £776,423).

10. STAFF COSTS

Total Staff Costs:	**2021**	**2020**
	£000	**£000**
Salaries and wages	**16,024**	**13,909**
Social security costs	**1,467**	**1,379**
Pension contributions	**2,356**	**2,042**
	19,847	**17,330**
Benefits – health insurance contributions	**137**	**136**
Salaries and wages	**19,984**	**17,466**

Staff costs include redundancy and termination costs of £22,000 (2020: £26,000) of which £20,000 remained outstanding at the year-end.

The average number of staff employed in the year was:

	2021	2020
	No	No
Teaching	**223**	201
Operations and Administration	**461**	432
Total	**684**	633

The above figures for 2020 include staff at Bilton Grange only for the period from January 6 to 30 June 2020.

The School employs a significant number of part-time staff, many of whom are only employed for a few hours each week during term time.

Key Management Personnel

The earnings of the Key Management Personnel are determined by the Nominations Committee and for the year to 30 June 2021 were £1.719 million (2020: £1.362 million) including P11d benefits, employer national insurance and pension contributions. Key Management Personnel are generally included in the table below and now include Bilton Grange's senior leadership team in full.

10. STAFF COSTS *(continued)*

The number of employees whose emoluments, including P11d benefits but excluding employer national insurance and pension contributions, exceeded £60,000 on an annual basis were:

	2021	2020
	No	No
£60,000 - £69,999	**24**	27
£70,000 - £79,999	**5**	10
£80,000 - £89,999	**8**	2
£90,000 - £99,999	**1**	1
£100,000 - £109,999	**2**	3
£120,000 - £129,999	**2**	1
£140,000 - £149,999	**-**	1
£150,000 - £159,999	**1**	-
£190,000 - £199,999	**-**	1
£230,000 - £239,999	**1**	-

33 of these employees (2020: 40) were members of a defined benefit pension scheme and 5 employees (2020: 5) were members of a defined contribution scheme at a charge of £52,112 for the year.

No Governors or persons connected with them received any remuneration or other benefits from the School or any connected organisation.

11. TAXATION

The School has charitable status and is thus exempt from corporation tax on primary purpose activities.

There is no UK corporation tax charge, in respect of the current or prior years, incurred by the trading subsidiaries, Rugby School Enterprises Limited, Rugby School International Limited or Rugby School Projects Limited.

12. FREEHOLD LAND & BUILDINGS, FIXTURES AND EQUIPMENT

	Parent Charity and Consolidated			
	Freehold land & buildings	Assets under construction	Fixtures & equipment	Total
COST	£000	£000	£000	£000
As at 1 July 2020	89,057	-	8,023	97,080
Additions	2,784	221	450	3,455
Transfers	1,193	-	(1,193)	-
Disposals	-	-	(118)	(118)
As at 30 June 2021	93,034	221	7,162	100,417
DEPRECIATION				
As at 1 July 2020	35,467	-	5,214	40,681
Charge for the year	3,064	-	675	3,739
Transfers	434	-	(434)	-
Disposals	-	-	(118)	(118)
As at 30 June 2021	38,965	-	5,337	44,302
NET BOOK VALUE				
As at 30 June 2021	**54,069**	**221**	**1,825**	**56,115**
As at 30 June 2020	**53,590**	**-**	**2,809**	**56,399**

Fixtures and equipment includes kitchen assets, purchased in line with the catering contract.

The net book value of equipment includes £0 relating to assets held under finance leases (2020: £15,000). A depreciation charge of £15,000 occurred in the year (2020: £16,000).

In addition to the assets recorded on the balance sheet, the School has a collection of works of art and museum exhibits, which it has acquired over many years, mostly as gifts. A physical inventory of these assets is maintained but since such assets are held for educational purposes and are not for sale, the Governing Body consider that they do not meet the definition of Heritage Assets in the financial statements and the cost of valuation outweighs any benefit gained. In the opinion of the Governing Body the depreciated historical cost of these assets would now be immaterial.

Capital Commitments
Capital commitments at 30 June 2021 amounted to £1,395,785 (2020: £695,000).

13. FIXED ASSET INVESTMENTS

Parent Charity

	London Estate	Bilton Grange	Special Funds	Compositio n of Fees	Total
	£000	£000	£000	£000	£000
Balance at 1 July 2020	108,853	4,748	24,310	1,480	**139,391**
Additions	1,724	-	7,072	-	**8,796**
Cash balance movement	53	3	(158)	18	**(84)**
Disposals at net proceeds	(2,082)	(10)	(7,038)	-	**(9,130)**
Revaluations	4,661	927	5,644	(2)	**11,230**
Balance at 30 June 2021	113,209	5,668	29,830	1,496	**150,203**
Represented by:					
Freehold properties	106,900	-	-	-	**106,900**
Financial investments	5,383	5,661	29,069	1,163	**41,276**
Cash deposits	926	7	761	333	**2,027**
	113,209	5,668	29,830	1,496	**150,203**

Consolidated

	Parent Charity	Arnold Foundation	War Memorial	Total
	£000	£000	£000	£000
Balance at 1 July 2020	139,391	15,796	1,692	**156,879**
Additions	8,796	6,348	661	**15,805**
Cash balance movement	(84)	91	37	**44**
Disposals at net proceeds	(9,129)	(6,492)	(705)	**(16,326)**
Revaluations	11,230	3,748	407	**15,385**
Balance at 30 June 2021	150,204	19,491	2,092	**171,787**
Represented by:				
Freehold properties	106,900	-	-	**106,900**
Financial investments	41,277	19,135	2,042	**62,454**
Cash deposits	2,027	356	50	**2,433**
	150,204	19,491	2,092	**171,787**

The London Estate investments include property professionally valued by Farebrother, Chartered Surveyors as at 30 June 2016. The Governing Body's updated valuation of the property portfolio as at 30 June 2021 was obtained in consultation with the School's professional advisors and reflects the changes in the market conditions.

The London Estate investments includes £103.6 million property and £5.293 million in its managed equity portfolio.

13. FIXED ASSET INVESTMENTS *(continued)*

The BG designated investments were donated to the group on 6 January 2020 as part of the merger of Bilton Grange into the School. These have been recorded at cost as of the time of original purchase. The valuation on transfer of these investments totalled £4,954,303 as of 6 January 2020.

To fulfil the requirements of FRS 102, the Governing Body have included the properties in the financial statements at the open market valuation, though it is the intention of the Governing Body to retain the investment properties within the School's endowed funds (note 20) with only the income being used towards the School's charitable purposes. As described in the Governors' Report, Rugby School's share of the net income from these properties is used primarily to finance foundations, scholarships, bursaries and other allowances awarded by the School.

The gross rental income generated from the London Estate properties in 2020/21 was £4.34 million (2019/20 - £4.83 million).

The Estate is wholly owned by Rugby School. However, under the terms of the Rugby Lower School (Transfer) Act 1906 and of the Rugby School Act 1922, and as recorded in Note 9, one fifth of the annual net income from this Estate is paid to Lawrence Sheriff School in Rugby.

Special Funds comprise 7 different funds, the income and capital from which is restricted for specific purposes such as scholarships, grants and prizes.

14. DEBTORS

	Parent Charity		Consolidated	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade debtors	**2,888**	1,754	**3,193**	1,936
Taxation recoverable and accrued income from HMRC	**-**	294	**4**	315
Other debtors	**812**	641	**1,006**	814
Inter-group balances	**1,054**	708	**-**	-
Prepayments and accrued income	**2,057**	1,532	**2,057**	1,535
	6,811	4,929	**6,260**	4,600

Other debtors in 2020 included proceeds of the sale of long-held donated assets (Bloxam fund).

15. CREDITORS: due within one year

	Parent Charity		Consolidated	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Finance lease creditor	**5**	19	**5**	19
Trade creditors	**2,709**	2,439	**2,782**	2,464
Taxation and social security	**551**	77	**556**	78
Other creditors	**1,745**	1,744	**1,825**	1,824
Inter-group balances	**-**	-	**-**	-
Accruals and deferred income	**1,676**	1,600	**1,751**	1,704
Entrance fees and final term deposits	**584**	571	**584**	571
Advance fees	**1,308**	1,161	**1,308**	1,161
Advance fees via Scheme (note 17)	**554**	500	**554**	500
	9,132	8,111	**9,365**	8,321

16. CREDITORS: amounts due after more than one year

	Parent Charity		Consolidated	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Finance lease creditor	**-**	5	**-**	5
Entrance fees and final term deposits	**3,153**	2,834	**3,153**	2,834
Advance fees via Scheme (note 17)	**462**	561	**462**	561
	3,615	3,400	**3,615**	3,400

17. FEES IN ADVANCE SCHEME

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

	2021	2020
	£000	£000
Between 2 to 5 years	**168**	242
Between 1 to 2 years	**294**	319
	462	561
Within 1 year (note 15)	**554**	500
Balance at 30 June	**1,016**	1,061

17. ADVANCE FEE PAYMENTS *(continued)*

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

	2021	2020
	£000	£000
Balance at 1 July	1,061	897
New contracts	622	753
Refunds	-	-
Amounts accrued to contracts	1	1
	1,684	1,651
Amounts utilised in payment of fees to the School	(668)	(590)
Balance at 30 June	1,016	1,061

18. PENSION SCHEMES

(a) Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,750,000 (2020: £1,511,000). There were no outstanding contributions payable at the year-end (2020 - £nil).

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

18. PENSION SCHEMES *(continued)*

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

(b) Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973)

Composition of the Scheme

The School operates a defined benefit pension scheme, the Rugby School Pension and Life Assurance Scheme for Non-Teaching Staff (1973). This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the School in trustee administered funds. The Scheme closed to future accrual on 5 April 2006. Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary.

Actuarial valuation

A full actuarial valuation was carried out at 5 April 2018. These figures were rolled-forward to 6 April 2021, making adjustments to reflect benefits paid out of the Scheme and for differences between the assumptions used at 5 April 2018 and those at 6 April 2021. The valuation on 5 April 2018 showed a scheme surplus, and as a result, the contributions from the School ceased after October 2015.

The next tri-annual valuation date is set to be as of 5 April 2021 which will be completed for the 2021-22 accounts.

18. PENSION SCHEMES *(continued)*

The principal actuarial assumptions at the balance sheet date were:

	2021	**2020**
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions payment	5.00%	5.00%
Discount rate	2.08%	1.70%
Inflation assumption	3.39%	2.90%
Statutory rate of increase of pensions in deferment	3.39%	2.90%
Expected return on Scheme assets	1.70%	1.70%
Assumes life expectancy on retirement at age 60:		
Retiring today – males	26.4	25.9
Retiring today - females	29.0	28.0
Retiring in 15 years - males	27.5	27.1
Retiring in 15 years - females	30.2	29.3

The amounts recognised in the balance sheet are as follows:

	Market Value 2021 £000	Market Value 2020 £000
Fair value of Scheme assets	**7,057**	6,337
Present value of funded obligations	**(8,409)**	(8,886)
Deficit in the scheme	**(1,352)**	(2,549)

Change in the present value of the defined benefit obligation are as follows:

	2021 £000	2020 £000
Defined benefit obligation at 1 July	**8,886**	8,285
Interest cost	**149**	197
Benefits paid	**(210)**	(189)
Actuarial losses/(gains)	**(416)**	593
Defined benefit obligation at 30 June	**8,409**	8,886

18. PENSION SCHEMES *(continued)*

Change in the present value of the scheme assets are as follows:

	2021	2020
	£000	£000
Fair value of scheme assets at 1 July	6,337	6,730
Employer Contributions		-
Benefit payments	(210)	(189)
Expected return on scheme assets	106	159
Actuarial gains / (losses)	824	(363)
Fair value of scheme assets at 30 June	7,057	6,337

Analysis of the amounts charged within the Statement of Financial Activities are as follows:

	2021	2020
	£000	£000
Interest on pension scheme liabilities	(149)	(197)
Expected return on pension scheme assets	106	159
Total amount charged to the Statement of Financial Activities	(43)	(38)

Analysis of actuarial gains and losses:

	2021	2020
	£000	£000
Actual return less expected return on scheme assets	823	(363)
Experience gains and losses arising on the scheme liabilities	34	33
Changes to assumption underlying the present value of the scheme liabilities	383	(626)
Actuarial loss	1,240	(956)

The major categories of Scheme assets as a percentage of total Scheme assets are as follows:

	2021	2020
	%	%
Equities	30	19
Bonds	22	23
Gilts	-	-
Property	10	8
Other	33	30
Cash	5	20

	£000	£000
Actual return on the Scheme assets in the period	929	(204)

18. PENSION SCHEMES *(continued)*

Future expected rates of return

The expected rates of return to apply from the valuation date forward are shown net of a 0.35% deduction to allow for investment management fees. The assumptions have been derived as follows:

- the return on bonds is set to be equal to the discount rate, less 0.35%,
- the net return on gilts is set equal to the yield on 15-year fixed interest gifts, less 0.35%,
- the net return on equities and property is set to be 3% above the return on 15-year fixed interest on gilts, less 0.35%;
- the return on cash is taken to be equal to the return on 15-year fixed interest gilts, less 0.35%,
- the return on other assets such as commodities and infrastructure has been set to be 2.8% above the 15-year fixed interest gilt yield, less 0.35%.

The School does not expect to contribute to the defined benefit pension scheme during 2021/22.

History of experience gains and losses:

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Present value of Scheme liabilities	**8,409**	8,886	8,285	8,037	7,920
Fair value of Scheme assets	**7,057**	6,337	6,730	6,987	7,003
Deficit	**(1,352)**	(2,549)	(1,555)	(1,050)	(917)
Experience gains /(losses) on the liabilities	**34**	33	(23)	(37)	11
Experience gains/(losses) on scheme assets	**823**	(363)	19	(71)	538
Actuarial gain/(loss)	**1,240**	(956)	(478)	(108)	493

(c) Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff

From 1 October 1997 to 30 September 2001, Rugby School operated a defined contribution pension scheme for certain non-teaching staff. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

With effect from 1 October 2001, the scheme was replaced by the Rugby School Group Stakeholder Pension Scheme. The School contributes double the employee contributions up to a maximum of 12% of pensionable pay. Employer contributions totalling £769,000 (2020: £496,000) were paid in respect of this pension scheme for the year. This increase was in part due to the addition of Bilton Grange staff for the full year and also reflects changes due to the implementation of a salary sacrifice scheme during the course of 2020-21. At the period-end £87,000 was payable in respect of employer and employee contributions to this scheme.

The assets of both schemes are held separately from the School in independently administered funds.

(d) Bilton Grange Stakeholder Pension Scheme for Non-Teaching Staff

From 6 January 2020, the School has operated a defined contribution pension scheme for certain non-teaching staff at Bilton Grange and those teaching staff who have opted into this pension scheme rather than being in the TPS. The pension cost charge represented contributions payable by the School to the fund; these contributions matched those of the employees up to a maximum of 5%.

This scheme was ended January 2021 and the employees were transferred to the Rugby School Group Stakeholder Pension Scheme for Non-Teaching Staff. Employer contributions totalling £22,000 (2020: £21,000) were paid in respect of this pension scheme for the year. At the period-end nil (2020: £7,000) was payable in respect of employer and employee contributions to this scheme.

The assets of all schemes are held separately from the School in independently administered funds.

19. ANALYSIS OF NET ASSETS

(a) Current year analysis of net assets between funds:

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2021 Total £000
Parent Charity					
Fixed Assets	-	-	56,115	-	**56,115**
Investments	120,633	14,424	13,650	1,496	**150,203**
Net Current Assets/ (Liabilities)	888	543	4,808	(964)	**5,275**
Long Term Liabilities	-	-	(4,505)	(462)	**(4,967)**
	121,521	**14,967**	**70,068**	**70**	**206,626**
Consolidated					
Fixed Assets	-	-	56,115	-	**56,115**
Investments	132,505	24,136	13,650	1,496	**171,787**
Net Current Assets/(Liabilities)	304	589	4,800	(964)	**4,729**
Long Term Liabilities	-	-	(4,505)	(462)	**(4,967)**
	132,809	**24,725**	**70,060**	**70**	**227,664**

(b) Prior year analysis of net assets between funds

The net assets are held for the various funds and advance fees as follows:

	Endowed Funds £000	Restricted Funds £000	Unrestricted Funds £000	Advance Fees £000	2020 Total £000
Parent Charity					
Fixed Assets	-	-	56,399	-	**56,399**
Investments	114,529	12,173	11,209	1,480	**139,391**
Net Current Assets/ (Liabilities)	1,179	997	3,504	(863)	**4,817**
Long Term Liabilities	-	-	(5,387)	(562)	**(5,949)**
	115,708	**13,170**	**65,724**	**55**	**194,657**
Consolidated					
Fixed Assets	-	-	56,399	-	**56,399**
Investments	123,870	20,319	11,209	1,480	**156,879**
Net Current Assets/(Liabilities)	743	1,073	3,504	(863)	**4,454**
Long Term Liabilities	-	-	(5,387)	(562)	**(5,949)**
	124,612	**21,392**	**65,724**	**55**	**211,783**

20. ENDOWED FUNDS

(a) Current year movement in endowed funds:

	Balance at 30 June 2020 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2021 £000**
Parent Charity						
London Estates: Property	102,631	-	-	-	3,590	**106,221**
London Estates: Equity	5,333	60	-	(599)	1,070	**5,864**
Lewis Benefaction fund	7,606	-	-	-	1,668	**9,274**
Bilton Grange	138	4	-	-	20	**162**
	115,708	64	-	(599)	6,348	**121,521**
Consolidated						
Arnold Foundation Awards	8,904	188	-	-	2,196	**11,288**
	124,612	252	-	(599)	8,544	**132,809**

(b) Prior year movement in endowed funds:

	Balance at 30 June 2019 £000	Incoming funds £000	Amounts expended £000	Total return to income £000	Investment gains/ (losses) £000	**Balance at 30 June 2020 £000**
Parent Charity						
London Estates: Property	111,668	-	-	-	(9,037)	**102,631**
London Estates: Equity	5,099	72	-	-*	162	**5,333**
Lewis Benefaction fund	6,760	-	-	-	846	**7,606**
Bilton Grange	-	152	(2)	-	(12)	**138**
	123,527	224	(2)	-	(8,041)	**115,708**
Consolidated						
Arnold Foundation Awards	8,306	101	-	-	497	**8,904**
	131,833	325	(2)	-	(7,544)	**124,612**

* Total return to income was £80,000 for 2019-2020 which was reversed by way of an offsetting transfer.

London Estates
The London Estate consists principally of property in London bequeathed by the School's founder, Lawrence Sheriff. This permanent endowment yields commercial and residential rental income (see restricted funds). Endowed funds also include equity investments (see Total Return note 20c). In the year there was an application of total return to income of £80,000 (see detail in Total Return note 20c).

Lewis Benefaction Fund
The Lewis Benefaction Fund is an expendable endowment capital fund which generates income for the provision of scholarships and bursaries. The income from the fund is fully utilised for this purpose (see restricted funds) and the capital has not been expended.

Arnold Foundation Awards
The Arnold Foundation endowed funds includes £50 of permanent funds and the balance relates to expendable endowment funds which generate income for the financing of bursary awards to Rugby School. This fund is held by the Arnold Foundation for Rugby School. The income from the fund is utilised for this purpose (see restricted funds).

(c) Statement of Total Return

The School adopted a Total Return policy for its London Estate Endowed Non Property Investment Funds only. This allows investment managers greater flexibility in managing funds within the agreed risk parameters. Unapplied total returns are the total returns on the investments (capital or income in nature), less monies paid out of the Endowed Funds.

The preserved value is protected with an annual CPI uplift and is based on a valuation date of 31 July 2009.

The Unapplied Total Return movements are:

	Preserved Value £000	Unapplied Value £000	Total £000
Brought forward:			
Preserved Value	4,204	-	4,204
Unapplied Total Return	-	1,049	1,049
Total	4,204	1,049	5,253
Movement in reporting period:			
Investment return: dividend/income	-	60	60
Investment return: gains/losses	-	1,070	1,070
Unapplied total return allocated to income	-	(479)	(479)
Unapplied total return allocated to capital	158	(158)	-
Grant to Lawrence Sheriff School	-	(120)	(120)
Net movement in reporting period:	158	373	531
Carried Forward:			
Preserved Value	4,362	-	4,362
Unapplied Total Return	-	1,422	1,422
Total	4,362	1,422	5,784

21. RESTRICTED FUNDS

(a) Current year movement in restricted funds:

	Balance at 30 June 2020 £000	Incoming funds £000	Amounts expended £000	Transfer £000	Total Return t/f applied to income £000	Investment gains £000	**Balance at 30 June 2021 £000**
Parent Charity							
Special Funds:							
Common Investment Fund	10,757	187	(855)	-	-	2,470	**12,559**
Lewis Benefaction Fund	-	77	(77)	-	-	-	**-**
London Estate	1,713	4,338	(4,997)	-	599	-	**1,653**
School	700	55	-	-	-	-	**755**
	13,170	4,657	(5,929)	-	599	2,470	**14,967**
Consolidated							
War Memorial	1,768	23	(58)	-	-	407	**2,140**
General Charitable Trust	-	56	(56)	-	-	-	**-**
Arnold Foundation for Rugby School	6,454	1,058	(1,446)	-	-	1,552	**7,618**
	21,392	5,794	(7,489)	-	599	4,429	**24,725**

(b) Prior year movement in restricted funds:

	Balance at 1 July 2019 £000	Incoming funds £000	Amounts expended £000	Transfer £000	Total Return t/f applied to income £000	Investment gains £000	**Balance at 30 June 2020 £000**
Parent Charity							
Special Funds:							
Common Investment Fund	10,373	182	(23)	-	-	225	**10,757**
Lewis Benefaction Fund	-	86	(86)	-	-	-	**-**
London Estate	2,210	4,988	(4,971)	(594)	80	-	**1,713**
School	505	-	-	195	-	-	**700**
	13,088	5,256	(5,080)	(399)	80	225	**13,170**
Consolidated							
War Memorial	1,745	26	(63)	-	-	60	**1,768**
General Charitable Trust	-	196	-	(196)	-	-	**-**
Arnold Foundation for Rugby School	4,332	749	(1,416)	2,539	-	250	**6,454**
	19,165	6,228	(6,559)	(1,944)	80	535	**21,392**

Common Investment Fund
The Common Investment Fund consists of numerous funds, the income and capital being restricted for specific purposes. With the approval of the Charity Commission, there is a pooling system under which investments belonging to its restricted fund are pooled. The majority of the funds are restricted for the provision of scholarships, bursaries and prizes.

Lewis Benefaction Fund
The income from the endowed fund is fully utilised for the provision of scholarships and bursaries.

21. RESTRICTED FUNDS *(continued)*

London Estates

The London Estate endowment yields commercial and residential rental income and, after accounting for the costs of its maintenance and administration, one fifth of the remaining surplus (plus one fifth of the income from certain non-property investments) is paid to Lawrence Sheriff School, a neighbouring secondary school originally established by the Governing Body of Rugby School and now operating in the state sector. Of the four fifths which remain, the primary use is to fund foundations and scholarships. Any remaining balance is unrestricted in use, but in practice is applied to finance capital projects which are of long-term benefit or accumulated for the same uses in future years.

Included within the London Estate Fund is a Reserve Fund for repairs, rehabilitation and reconstruction:

	2021	2020
	£000	£000
As at 1 July	**1,350**	1,775
Transfer from/to net income resources	**-**	(425)
As at 30 June	**1,350**	1,350

In accordance with an Order made by the Minister of Education on 15 January 1963, the Governing Body may transfer funds into a Reserve Fund for the reconstruction and development of the real property of the Foundation at Holborn (the London Estate). No funds were transferred out of restricted funds in the year (2020: £514,000) which represents fulfilment of restricted capital projects.

War Memorial Fund

The War Memorial Fund makes awards to help the children of Rugbeians, who are in need of financial assistance, to attend or to remain at Rugby School. The bursaries are assessed and awarded by Rugby School with funding being granted by the War Memorial Fund.

General Charitable Trust

The Trust receives income from covenants and legacies which were established prior to the existence of the Arnold Foundation. The income is gifted to the School, usually to assist with specific capital projects. In the year there was a transfer of £56,000 (2020: £196,000).

Arnold Foundation for Rugby School

The Arnold Foundation fund is monies given to provide funds and future income for the provision of bursary awards to Rugby School.

	£000
Expended by the Arnold Foundation in the year to 30 June 2021 in accordance with the wishes of the donors:	
Bursary awards	1,018
Unexpended balance of gifts and legacies as at 30 June 2021:	
Restricted funds to be utilised for Bursary Awards	7,440
Unrestricted funds in Arnold Foundation (but treated as Restricted for the Group) to be utilised for bursary Awards	180
	8,620

Fundraising costs in the year of £373,000 (2020: £302,000) were met by Rugby School.

22. UNRESTRICTED FUNDS

(a) Current year movement in unrestricted funds:

	Balance 30 June 2020 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2021 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	56,399	-	-	(284)	-	**56,115**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	334	-	(51)	-	-	**283**
RSE Fund	688	-	-	-	-	**688**
Bilton Grange designated	4,747	-	-	-	907	**5,654**
Bloxam Fund	10,197	588	-	-	1,507	**12,292**
General unrestricted funds:						
School operations	(4,037)	34,313	(34,101)	284	(2)	**(3,543)**
Pension reserve	(2,549)	-	(43)	-	1,240	**(1,352)**
	65,779	34,901	(34,195)	-	3,652	**70,137**
Consolidated						
Rugby School Enterprises	-	459	(466)	-	-	**(7)**
Rugby School International	-	499	(499)	-	-	**-**
Rugby School Projects	-	-	-	-	-	**-**
	65,779	35,859	(35,160)	-	3,652	**70,130**

(b) Prior year movement in unrestricted funds:

	Balance 1 July 2019 £000	Incoming funds £000	Amounts expended £000	Transfers £000	Investment gains/ (losses) £000	**Balance 30 June 2020 £000**
Parent Charity						
Designated funds:						
Fixed assets fund	49,287	4,753	(3,602)	5,962	-	**56,399**
New boarding house fund	-	-	-	-	-	**-**
Building maintenance fund	650	-	(335)	18	-	**333**
RSE Fund	737	430	(478)	-	-	**689**
Bilton Grange designated	-	4,883	(3)	59	(192)	**4,747**
Bloxam Fund	12,569	2	(6)	(2,237)	(131)	**10,197**
General unrestricted funds:						
School operations	(3,157)	29,267	(25,145)	(5,036)	33	**(4,038)**
Pension reserve	(1,555)	-	(38)	-	(956)	**(2,549)**
	58,531	39,336	(29,607)	(1,235)	(1,246)	**65,779**
Consolidated						
Rugby School Enterprises	-	1,458	(1,028)	(430)	-	**-**
Rugby School International	-	836	(481)	(355)	-	**-**
Rugby School Projects	-	4	-	(4)	-	**-**
	58,531	41,634	(31,116)	(2,024)	(1,246)	**65,779**

22. UNRESTRICTED FUNDS *(continued)*

Fixed asset fund
The fund carried forward at the year-end represents the net book amounts invested in tangible fixed assets. A transfer of £284,000 was made out of the fund (2020: transfer into the fund £2,312,000) which represents the fixed asset additions, disposals and depreciation for the year.

Building maintenance fund
Following an extensive survey of School properties, the building maintenance fund was established for maintenance priorities of the School's buildings over a five-year period. In the year £51,000 (2020: an additional £18,000) was expended from the fund.

RSE fund
The funds gifted by Rugby School Enterprises Limited are to be utilised on projects which would benefit a significant proportion of the School's community and may be used for bursaries for exceptional students. No transfer was made of RSE surplus for the year (2020: £430,000).

Bilton Grange fund
With the charitable merger of Bilton Grange into the School, the non-endowment investments previously held in the name of Bilton Grange Trust Limited were designated by the Governors to be used for capital investment into Bilton Grange and its facilities.

Bloxam fund
The funds in the Bloxam Fund are a portion of the proceeds of sales in 2019 and 2020 of long-held donated art works and rare books have been designated by the Governors to be utilised for bursary funding and for projects to benefit a significant proportion of the School's current and future community.

School operations
General unrestricted funds are retained to provide working capital.

23. FINANCIAL INSTRUMENTS

	2021	2020
	£000	£000
Financial Assets measured at fair value through profit or loss including investment assets	62,452	50,894

24. FINANCE AND LEASE COMMITMENTS

The School has the following minimum lease payments, due in relation to non-cancellable lease agreements:

	Parent Charity		Consolidated	
	2021	2020	2021	2020
	£000	£000	£000	£000
Payable within 1 year	5	30	5	30
Payable between 2 to 5 years	-	8	-	8
Payable after more than 5 years	-	-	-	-
	5	38	5	38

During the year the School put in place an annually renewable, unsecured, on-demand, £5,000,000 overdraft facility with National Westminster Bank Plc. The facility has remained undrawn during the year ending 30 June 2021.

The School also retired 6% debenture loans and 5% debenture loans totalling £11,020 which were transferred to Rugby School under the Bilton Grange merger and paid off the interest due under those debentures.

On 30 June 2021, the School committed to enter into a 40-year private issue for £35 million placed with a single investor that closed and funded on 1 September 2021, due for repayment on 1 September 2061. Interest at 2.32% per annum is computed on a 30/360-day basis and payable semi-annually on 1 March and 1 September.

25. RELATED PARTY TRANSACTIONS

The children of staff and Governors may attend the School, subject to the normal entry procedures. In such cases, Governors pay School fees at the standard rates, but staff members receive a discount.

During the year, the children of Mrs H Jackson, a governor, received Head Master's Discretionary Awards totalling £6,440.

26. CONTINGENT LIABILITIES AND ASSETS

The School is in an ongoing dispute in relation to a former member of staff which is expected to progress to a tribunal. No provision has been made for a liability at 30 June 2021 as there remains considerable uncertainty as to the potential outcome of this claim in relation to both value and timing.