



# 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](http://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

B J O'Brien, LLB (2,3,4,5,6,7) (Chairman)  
R J Elmhirst LLB (2,3,4,5,6) (Deputy Chairman)  
R Aggarwal, MA, MBA (joined 22 June 2022)  
N Bacon FCA, CTA (2,3,5,7)  
J C Barwell OBE (2,3,4,7)  
C A Coates LLB (8) (joined 5 November 2021)  
J Eastwood BA (8)  
R C Fletcher FRSA, MBA, Mphi (resigned 23 May 2022)  
A S Habib (joined 13 October 2022)  
Prof C J Howe ScD (1) (resigned 3 July 2021)  
H Jackson BSc (resigned 3 July 2021)  
S Lebus, MA (5) (resigned 3 July 2021)  
G V Lloyd-Jones (resigned 3 July 2021)  
C Marten MA (1,6,8)  
J Moreland MA, PGCE, NPQH (8)  
A Pantelis (1)  
Rev Canon Dr M Pryce (1) (joined 1 September 2021)  
General Sir T Radford KCB DSO OBE (6)  
D Skaiies BSC, FCA (2,3,6)  
P Smulders, BA, MBA (5)  
C Wills LLP (5,7)  
G Woodward BA (resigned 16 January 2022)

#### Appointed by

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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, 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

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#### 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

###### **Solicitors**

Veale Wasbrough Vizards, Bristol

###### **Surveyors**

Farebrother, London

###### **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 evaluate 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;

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

- 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.

## REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022

### *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
<b>A Levels (including Pre-U)</b>						
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	
<b>GCSE</b>						
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;

## REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022

- 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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

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. These 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 work 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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

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.

### *Levéé*

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;

## REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022

- 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-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 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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

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.

## REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022

### *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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

### *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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

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;

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

- 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.

## **REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL FOR THE YEAR ENDED 30 JUNE 2022**

- 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:

**REPORT OF THE GOVERNING BODY OF RUGBY SCHOOL  
FOR THE YEAR ENDED 30 JUNE 2022**

- 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](http://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**  
Statutory Auditor  
**Cheltenham**

**Date:**

*19 Jan 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: Notes	Unrestricted £'000	Endowed £'000	Restricted £'000	2022 £'000	Unrestricted £'000	Endowed £'000	Restricted £'000	2021 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>									
<b>Charitable Activities</b>									
School fees receivable	2	35,113	-	-	35,113	31,807	-	-	31,807
Ancillary trading income	4	1,527	-	-	1,527	948	-	-	948
<b>Other Trading Activities</b>									
Trading income (non-ancillary)	5	1,759	-	-	1,759	873	-	-	873
<b>Investments</b>									
Investment income	6	406	69	5,489	5,964	286	64	4,829	5,179
<b>Voluntary Sources</b>									
Donations and legacies		1	1,382	676	2,059	187	188	532	907
Other		5	-	72	77	1,498	-	6	1,504
<b>Total Income</b>		<b>38,811</b>	<b>1,451</b>	<b>6,237</b>	<b>46,499</b>	<b>35,599</b>	<b>252</b>	<b>5,367</b>	<b>41,218</b>
<b>EXPENDITURE ON:</b>									
<b>Raising Funds</b>									
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
<b>Total cost of fundraising</b>		<b>1,864</b>	<b>-</b>	<b>2,535</b>	<b>4,399</b>	<b>874</b>	<b>-</b>	<b>2,264</b>	<b>3,138</b>
<b>Charitable Activities</b>									
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
<b>Costs of Charitable Activities</b>		<b>37,515</b>	<b>-</b>	<b>4,268</b>	<b>41,783</b>	<b>34,026</b>	<b>-</b>	<b>4,798</b>	<b>38,824</b>
<b>Total Expenditure</b>	<b>7</b>	<b>39,379</b>	<b>-</b>	<b>6,803</b>	<b>46,182</b>	<b>34,900</b>	<b>-</b>	<b>7,062</b>	<b>41,962</b>
<b>Net (Expenditure)/Income</b>		<b>(568)</b>	<b>1,451</b>	<b>(566)</b>	<b>317</b>	<b>699</b>	<b>252</b>	<b>(1,695)</b>	<b>(744)</b>
Net gains/(losses) on investments	13	(1,619)	10,561	(2,463)	6,479	2,412	8,544	4,429	15,385
<b>Net Income</b>		<b>(2,187)</b>	<b>12,012</b>	<b>(3,029)</b>	<b>6,796</b>	<b>3,111</b>	<b>8,796</b>	<b>2,734</b>	<b>14,641</b>
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
<b>NET MOVEMENT IN FUNDS</b>		<b>(1,066)</b>	<b>11,943</b>	<b>(2,968)</b>	<b>7,909</b>	<b>4,351</b>	<b>8,197</b>	<b>3,333</b>	<b>15,881</b>
<b>Reconciliation of Funds</b>									
Balances brought forward at 1 July		<b>70,130</b>	<b>132,809</b>	<b>24,725</b>	<b>227,664</b>	<b>65,779</b>	<b>124,612</b>	<b>21,392</b>	<b>211,783</b>
<b>BALANCES CARRIED FORWARD at 30 June</b>		<b>69,064</b>	<b>144,752</b>	<b>21,757</b>	<b>235,573</b>	<b>70,130</b>	<b>132,809</b>	<b>24,725</b>	<b>227,664</b>

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		Consolidated	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>					
Freehold properties, fixtures & equipment	12	59,173	56,115	59,173	56,115
Investments	13	155,156	150,203	174,393	171,787
		<u>214,329</u>	<u>206,318</u>	<u>233,566</u>	<u>227,902</u>
<b>CURRENT ASSETS</b>					
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
		<u>50,381</u>	<u>14,407</u>	<u>51,373</u>	<u>14,095</u>
<b>CURRENT LIABILITIES</b>					
Creditors due within one year	15	(9,802)	(9,132)	(10,190)	(9,365)
<b>NET CURRENT ASSETS</b>		<u>40,579</u>	<u>5,275</u>	<u>41,183</u>	<u>4,729</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>254,908</b>	<b>211,593</b>	<b>274,749</b>	<b>232,631</b>
<b>CREDITORS due after more than one year</b>	16	<b>(38,813)</b>	<b>(3,615)</b>	<b>(38,873)</b>	<b>(3,615)</b>
<b>NET ASSETS EXCLUDING PENSION LIABILITY PROVISIONS</b>		<b>216,095</b>	<b>207,978</b>	<b>235,876</b>	<b>229,016</b>
Defined benefit pension scheme liability	18	(303)	(1,352)	(303)	(1,352)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>	19	<b>215,792</b>	<b>206,626</b>	<b>235,573</b>	<b>227,664</b>
<b>FUNDS OF THE CHARITY:</b>					
<b>Endowment funds</b>	20	<b>133,371</b>	<b>121,521</b>	<b>144,752</b>	<b>132,809</b>
<b>Restricted funds</b>	21	<b>13,342</b>	<b>14,967</b>	<b>21,757</b>	<b>24,725</b>
<b>Unrestricted funds:</b>					
Unrestricted income funds		69,382	71,490	69,367	71,482
Pension reserve		(303)	(1,352)	(303)	(1,352)
<b>Total unrestricted funds</b>	22	<b>69,079</b>	<b>70,138</b>	<b>69,064</b>	<b>70,130</b>
<b>TOTAL CHARITY FUNDS</b>		<b>215,792</b>	<b>206,626</b>	<b>235,573</b>	<b>227,664</b>

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



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 2022**

	Consolidated	
	2022	2021
	£'000	£'000
<b>Reconciliation of net income to net cash flow from operating activities:</b>		
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
<b>Net cash provided by operating activities</b>	<b>2,647</b>	<b>1,791</b>
<b>Cash flows from investing activities:</b>		
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)
<b>Net cash used in investing activities</b>	<b>(2,442)</b>	<b>(2,738)</b>
<b>Cash flows from financing activities:</b>		
Increase in debt finance	35,000	-
New endowments	1,382	187
<b>Net cash provided by financing activities</b>	<b>36,382</b>	<b>187</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>36,587</b>	<b>(760)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>7,093</b>	<b>7,848</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>43,680</b>	<b>7,088</b>
<b>Analysis of cash and cash equivalents:</b>		
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 £000	2021 £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)
<b>School Fees Receivable (SOFA)</b>	<b>35,113</b>	<b>31,807</b>
Less scholarships/bursaries/grant/prizes/other awards funded from Restricted Reserves	(3,587)	(4,131)
<b>Net Fees</b>	<b>31,526</b>	<b>27,676</b>
Add back from Restricted Reserve	3,587	4,131
	<b>35,113</b>	<b>31,807</b>

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 £000	2021 £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
	<b>3,587</b>	<b>4,131</b>

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

	2022 £000	2021 £000
Scholarships	576	220
Bursaries (means-tested)	-	-
Contribution to School fees	576	220
<b>Total scholarships, grants, prizes and other awards</b>	<b>4,680</b>	<b>4,351</b>

#### 4. CHARITABLE ACTIVITIES - OTHER INCOME

	2022 £000	2021 £000
<b>Other educational charitable activities</b>		
Registration fees	161	117
Courses	7	0
Other including tradesmen discounts and settlement fees	-	0
	<u>168</u>	<u>117</u>
<b>Other ancillary activities</b>		
Extra-curricular activities and trips (recharged)	558	338
Other including commissions	0	0
	<u>558</u>	<u>338</u>
<b>Other trading activities</b>		
School shop, museum, tuckshop and events	801	493
	<u>1,527</u>	<u>948</u>

#### 5. TRADING INCOME AND EXPENDITURE

	2022 £000	2021 £000
Non-ancillary trading activities-including trading subsidiaries	<u>1,759</u>	<u>873</u>

##### 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:

THE GOVERNING BODY OF RUGBY SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	Company registration number	Shareholding %	£	Net Assets at 30 June 2022 £	Turnover (incl inv't income) £'000	Expenditure £'000	Profit in the Year £'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 £000	2021 £000
Rents receivable	5,216	4,546
Income on financial investments	698	611
Interest receivable on cash portfolio	50	22
	<u>5,964</u>	<u>5,179</u>

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 £000	2021 £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
	<u>30,579</u>	<u>28,354</u>

## 7. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Note	Staff costs £000	Other costs £000	Deprec'n £000	2022 Total £000	2021 Total £000
<b>Costs of Generating and Managing Funds:</b>						
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
<b>Charitable Activities</b>						
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
<b>Total Expenditure</b>		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

<b>Total Staff Costs:</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	<b>17,350</b>	16,024
Social security costs	<b>1,594</b>	1,467
Pension contributions	<b>2,526</b>	2,356
	<b>21,470</b>	19,847
Benefits – health insurance contributions	<b>131</b>	137
Salaries and wages	<b>21,601</b>	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:

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Teaching	<b>250</b>	<b>223</b>
Operations and Administration	<b>453</b>	<b>461</b>
Total	<b>703</b>	<b>684</b>

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
<b>COST</b>	£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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
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 £000	Bilton Grange £000	Special Funds £000	Composition of Fees £000	Total £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 £000	Arnold Foundation £000	War Memorial £000	Total £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
	<u>6,280</u>	<u>6,811</u>	<u>7,102</u>	<u>6,260</u>

**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
	<u>9,802</u>	<u>9,132</u>	<u>10,190</u>	<u>9,365</u>

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
	<u>38,813</u>	<u>3,615</u>	<u>38,873</u>	<u>3,615</u>

**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
	<u>385</u>	<u>462</u>
Within 1 year (note 15)	472	554
Balance at 30 June	<u>857</u>	<u>1,016</u>

## 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
	<u>1465</u>	<u>1,684</u>
Amounts utilised in payment of fees to the School	(608)	(668)
Balance at 30 June	<u>857</u>	<u>1,016</u>

## 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 gilts, 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
<b>Parent Charity</b>					
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)
	<b>133,371</b>	<b>13,342</b>	<b>69,155</b>	<b>(76)</b>	<b>215,792</b>
<b>Consolidated</b>					
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)
	<b>144,752</b>	<b>21,757</b>	<b>69,140</b>	<b>(76)</b>	<b>235,573</b>

### (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
<b>Parent Charity</b>					
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)
	<b>121,521</b>	<b>14,967</b>	<b>70,068</b>	<b>70</b>	<b>206,626</b>
<b>Consolidated</b>					
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)
	<b>132,809</b>	<b>24,725</b>	<b>70,060</b>	<b>70</b>	<b>227,664</b>

## 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
<b>Parent Charity</b>						
London Estates: Property	106,221	-	-	-	12,499	<b>118,720</b>
London Estates: Equity	5,864	69	-	(69)	(618)	<b>5,245</b>
Lewis Benefaction fund	9,274	-	-	-	(31)	<b>9,244</b>
Bilton Grange	162	642	(642)	-	-	<b>162</b>
	<b>121,521</b>	<b>711</b>	<b>(642)</b>	<b>(69)</b>	<b>11,850</b>	<b>133,371</b>
<b>Consolidated</b>						
Arnold Foundation Awards	11,288	740	642	-	(1,289)	<b>11,382</b>
	<b>132,809</b>	<b>1,451</b>	<b>-</b>	<b>(69)</b>	<b>10,561</b>	<b>144,752</b>

### (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
<b>Parent Charity</b>						
London Estates: Property	102,631	-	-	-	3,590	<b>106,221</b>
London Estates: Equity	5,333	60	-	(599)	1,070	<b>5,864</b>
Lewis Benefaction fund	7,606	-	-	-	1,668	<b>9,274</b>
Bilton Grange	138	4	-	-	20	<b>162</b>
	<b>115,708</b>	<b>64</b>	<b>-</b>	<b>(599)</b>	<b>6,348</b>	<b>121,521</b>
<b>Consolidated</b>						
Arnold Foundation Awards	8,904	188	-	-	2,196	<b>11,288</b>
	<b>124,612</b>	<b>252</b>	<b>-</b>	<b>(599)</b>	<b>8,544</b>	<b>132,809</b>

\* 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	<u>4,362</u>	<u>1,422</u>	<u>5,784</u>
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:	<u>693</u>	<u>(1,312)</u>	<u>(619)</u>
Carried Forward:			
Preserved Value			
Unapplied Total Return			
Total	<u>5,055</u>	<u>110</u>	<u>5,165</u>

## 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	Investmen t gains £000	Balance at 30 June 2022 £000
<b>Parent Charity</b>							
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
<b>Consolidated</b>							
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
<b>Parent Charity</b>							
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
<b>Consolidated</b>							
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	<u>1,350</u>	<u>1,350</u>

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	<u>1,108</u>
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
	<u>6,537</u>

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
<b>Parent Charity</b>						
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
<b>Consolidated</b>						
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
<b>Parent Charity</b>						
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
<b>Consolidated</b>						
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	-	-	-	-
	<u>785</u>	<u>5</u>	<u>785</u>	<u>5</u>

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 200<sup>th</sup> 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.

