



Rugby School

THE GOVERNING BODY OF RUGBY SCHOOL

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

Registered Charity Number 528752
www.rugbyschool.co.uk

THE GOVERNING BODY OF RUGBY SCHOOL

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

CONTENTS

	Page
Governors, Principal Officers and Professional Advisers	3 – 4
The Report of the Governing Body	5 – 24
Statement of Governors’ Responsibilities	25
Independent Auditor’s Report	26 - 28
Consolidated Statement of Financial Activities	29
Balance Sheets	30
Consolidated Cash Flow Statement	31
Notes to the Financial Statements	32 – 58

THE GOVERNING BODY OF RUGBY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Governing Body

Appointed by

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

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

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

Head Master of Rugby School

G Parker-Jones MA, PGCE

Chief Operating Officer and Clerk to the Governing Body

P A Nicholls MA, FCA – resigned 31 August 2024

Dr D J White PhD, FCA – appointed 1 October 2024

Head Master of Bilton Grange

G E B Jones MEd, BA, PGCE

CEO Rugby School Global

Dr N G Hampton MA, PhD, PGCE

Principal Address and Registered Office

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

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

Auditor

Crowe U.K. LLP
Cheltenham

Advisers

Bankers

National Westminster Bank plc

Solicitors

Veal Wasborough Vizards LLP, Bristol

Investment Property Manager

Tandem Property Asset Management,
London

Surveyors

Farebrother, London

Principal Investment Managers

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

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

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

The Charity’s Objectives

Charitable Objects

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

Statement of Values

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

‘Whole Person, Whole Point’ is a useful short-hand for encapsulating what a Rugby School Group education is. It is a modern interpretation of Arnoldian¹ traditions: character development, leadership, questioning, balance, belonging and inclusivity.

Strategy and Plans for Future Years

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Objectives for the Year

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

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

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

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

Review of the Year's Achievements and Performance

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

Principal activities of the year

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

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

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

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

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

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

Educational Performance at Rugby School

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

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

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

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

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

Co-curricular highlights of the year at Rugby School

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

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

Sport

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

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

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

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

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

Rugby 360

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

CCF

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

Music

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

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

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

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

Students, in collaboration with the Royal Birmingham Conservatoire, have taken part in masterclasses with internationally renowned violinist Tasmin Little and Hee-Young Lim (Korean cellist, Professor at the Beijing Central Conservatoire and Principal Cellist of the Rotterdam Philharmonic Orchestra).

Our recent Performing Arts collaboration as part of National Theatre Connections was a production of 'Mia and the Fish', performed in the Nottingham Playhouse, brought together musicians from Rugby School and Rugby Free School in a professional environment. Other events have included a fantastic co-curricular collaboration of Vivaldi's Gloria with Rugby School ballet students and Kings International Ballet.

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

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

Performing Arts

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

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

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

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

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

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

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

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

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

Duke of Edinburgh

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

Highlights of the Year at Bilton Grange

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

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

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

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

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

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

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

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

International Partnerships

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

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

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

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

Little Grange Nursery

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

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

Plans for Future Years

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

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

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

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

Public Benefit Objectives

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

Widening access to the School

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

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

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

Bursaries policy

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

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

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

Contribution to local schools

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

Community partnerships and services

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

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

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

Fundraising

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

Streamlined Energy & Carbon Reporting

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

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

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

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

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

Methodology

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

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

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

Group Structure

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

Rugby School Enterprises Limited

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

Rugby School International Limited

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

Rugby School Global Partnerships Limited

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

Little Grange Nursery Limited

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

Rugby School Projects Limited

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

The Arnold Foundation for Rugby School

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

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

The Rugby School General Charitable Trust

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

The Rugby School Combined War Memorial Fund

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

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

Financial Review

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

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

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

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

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

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

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

Balance Sheet

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

Funds

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

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

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

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

Reserves Policy

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

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

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

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

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

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

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

Fundraising Performance

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

Investment Performance

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

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

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

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

Governance and Management

Charity Governance Code

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

Governing Body

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

Appointments, Recruitment and Training of Governors

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

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

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

Governance

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

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

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

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

Organisational Management

Governing Body Committees

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

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

Governor membership of these committees is shown on page 3.

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

Key Management Personnel

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

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

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

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

Support

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

Principal Risk and Risk Management

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

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

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

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

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

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

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

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

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

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

Approval

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



N Bacon
Chairman

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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 25, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

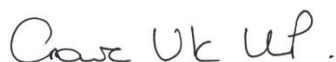
We also considered the opportunities and incentives that may exist within the group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, the accounting for bursaries scholarships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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
Cheltenham

Date: 23 December 2025

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

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

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


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

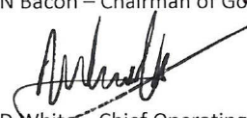
THE GOVERNING BODY OF RUGBY SCHOOL
BALANCE SHEETS
AS AT 30 June 2025

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

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

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


N Bacon – Chairman of Governing Body


D White – Chief Operating Officer


D Skailes – Chairman of Audit Committee

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

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

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

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

1. PRINCIPAL ACCOUNTING POLICIES

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

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

(a) Basis of Accounting

The charity meets the definition of a public benefit entity.

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

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

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

(b) Basis of Consolidation

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

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

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

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

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

(c) Fees and similar income

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

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

(d) Advance Fees

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

(e) Donations and legacies

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

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

(f) Expenditure

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

(g) Support costs

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

(h) Governance Costs

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

(i) Recognition of Liabilities

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

(j) Leased Assets

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

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

(k) Finance Costs

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

(l) Currency

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

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

(m) Taxation

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

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

(n) Pension Schemes

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

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

(o) Tangible Fixed Assets

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

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

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

(p) Depreciation

Freehold land is not depreciated.

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

The principal annual rates over which assets are depreciated are:

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

(q) Investments and Investment Income

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

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

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

(r) Fund Accounting

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

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

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

- permanent endowment arises where a donor intends the gift to be permanently retained. All income for spending will accrue to the appropriate restricted fund.
- expendable endowment funds are accounted for similarly, except that, if required, the capital may be converted into income for spending.

Investment income and gains are allocated to the appropriate fund.

(s) Total Return Accounting

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

(t) Stocks

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

(u) Reserve for Repairs, Rehabilitation and Reconstruction

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

(v) Key judgements and assumptions

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

The following areas have been considered:

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

(w) Financial instruments

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

2. CHARITABLE ACTIVITIES – FEES RECEIVABLE

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

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

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

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

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

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

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

4. CHARITABLE ACTIVITIES - OTHER INCOME

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

5. TRADING INCOME AND EXPENDITURE

	2025 £000	2024 £000
Non-ancillary trading activities-including trading subsidiaries	<u>4,815</u>	<u>3,803</u>

Investment in subsidiary companies

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

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

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

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

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

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

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

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

THE GOVERNING BODY OF RUGBY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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

6. INVESTMENT INCOME

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

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

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

7. ANALYSIS OF TOTAL RESOURCES EXPENDED

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

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

8. EXPENDITURE

Total resources expended include the following amounts:

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

9. PAYMENT TO LAWRENCE SHERIFF SCHOOL

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

10. STAFF COSTS

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

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

The average number of staff employed in the year was:

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

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

Key Management Personnel

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

10. STAFF COSTS *(continued)*

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

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

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

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

11. TAXATION

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

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

12. FREEHOLD LAND & BUILDINGS, FIXTURES AND EQUIPMENT

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

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

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

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

Capital Commitments

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

13. FIXED ASSET INVESTMENTS

Parent Charity

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

Consolidated

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

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

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

13. FIXED ASSET INVESTMENTS *(continued)*

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

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

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

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

14. DEBTORS

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

15. CREDITORS: due within one year

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

16. CREDITORS: amounts due after more than one year

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

17. COMPOSITION OF FEES SCHEME

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

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

17. ADVANCE FEE PAYMENTS *(continued)*

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

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

18. PENSION SCHEMES

(a) Teachers' Pension Defined Benefits Scheme

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

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

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

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

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

18. PENSION SCHEMES *(continued)*

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

Composition of the Scheme

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

Actuarial valuation

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

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

The principal actuarial assumptions at the balance sheet date were:

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

The amounts recognised in the balance sheet are as follows:

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

18. PENSION SCHEMES *(continued)*

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

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

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

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

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

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

Analysis of actuarial gains and losses:

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

18. PENSION SCHEMES *(continued)*

Actual return:

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

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

History of experience gains and losses:

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

Virgin Media pension case

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

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

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

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

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

19. ANALYSIS OF NET ASSETS

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

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

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

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

(b) Prior year analysis of net assets between funds

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

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

20. ENDOWED FUNDS

(a) Current year movement in endowed funds:

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

(b) Prior year movement in endowed funds:

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

London Estates

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

Lewis Benefaction Fund

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

Arnold Foundation Awards

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

(c) Statement of Total Return

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

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

The Unapplied Total Return movements are:

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

21. RESTRICTED FUNDS

(a) Current year movement in restricted funds:

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

(b) Prior year movement in restricted funds:

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

Common Investment Fund

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

Lewis Benefaction Fund

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

21. RESTRICTED FUNDS (continued)

London Estates

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

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

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

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

War Memorial Fund

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

General Charitable Trust

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

Arnold Foundation for Rugby School

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

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

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

22. UNRESTRICTED FUNDS

(a) Current year movement in unrestricted funds:

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

(b) Prior year movement in unrestricted funds:

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

22. UNRESTRICTED FUNDS *(continued)*

Fixed asset fund

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

Building maintenance fund

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

Commercial entities fund

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

Bilton Grange fund

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

Bloxam fund

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

School operations

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

23. FINANCE AND LEASE COMMITMENTS

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

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

23. FINANCE AND LEASE COMMITMENTS *(continued)*

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

24. RELATED PARTY TRANSACTIONS

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

25. CONTINGENT LIABILITIES AND ASSETS

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

26. POST BALANCE SHEET EVENTS

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

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

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

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