



1509 Group

Annual Report & Financial Statements

For the Year Ended

31 July 2020

Charity Number 4104101
Company Number 1084866

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Directors

1509 Group is holding company of a number of organisations. All directors and members of 1509 Group are directors of RGS and Lanesborough and all are governors of the School.

DIRECTORS OF THE COMPANY			Appointed by
F,N, E,L	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
F, N,L	Mr P G Peel FCA	Chairman of the Finance and General Purposes Committee and Vice Chairman of Governors	Board – co-opted
E, N	HHJ Critchlow LLB DL	Chairman of Nominations Committee and Vice Chairman of Governors Resigned December 2019	Board – co-opted
F	Dr H J Pearson OBE, MA, PhD, CMath, FIMA	Resigned December 2019	Board – co-opted
E, N	Mr C D Barnett MA PGCE	Chairman of Education Committee and Vice Chairman of Governors Chairman of Nominations Committee from January 2020	Board – co-opted
L,N, E	Rev R L Cotton MA Dip Th	Chairman of Lanesborough Committee	Bishop of Guildford
F	Mr PW Fell BA FCA		Board – co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
MEMBERS OF THE COMPANY			
N, L	Mr CT Shorter CEng MIStructE FConSE FFB		Board – co-opted
F	Mr D J Counsell FCA		Board – co-opted
E	Professor SC Price MSc PhD FBTS ERT FHEA		University of Surrey
E	Dr L S K Linton MA MB ChB MRCP		Staff: RGS and LPS
E	Mr NEJ Vineall QC MA		Board – co-opted
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F	Mr J D Fairley BA		Board – co-opted
F	Mrs H Styche-Patel BSc, MBA		Board co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
F,L	Mrs JA Stott BSc (Hons)		Royal Grammar School Parents’ Association
L	Ms N Nelson-Smith		Guildford Borough Council
F	Mrs M-L Logue		Lanesborough Parents’ Association
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
	Cllr R Billington, Mayor of Guildford	Resigned May 2020	Ex Officio
L	Mrs K Atkinson	Appointed July 2020	Board – co-opted
F L E N	Members of the Finance and General Purposes Committee Lanesborough Committee Members of the Education Committee (formerly the Academic Committee) Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary & Treasurer	Mr RA Ukiah MA	
	The Head (Lanesborough)	Mrs CMA Turnbull MEd	

Registered Office	High Street, Guildford Surrey GU1 3BB
Principal Bankers	National Westminster Bank Plc Guildford Commercial Office PO Box 1, 2nd Floor G3 2 Cathedral Hill Guildford Surrey GU1 3ZR
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Solicitors	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP
Common Investment Fund Managers	COIF Charity Funds CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ

The Members and Directors of 1509 Group present its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31 July 2020 and confirm that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2015.

DIRECTORS' REPORT

THE STATUS OF THE GROUP

1509 Group is a registered charity, number 1084866, and a company limited by guarantee, number 4104101. 1509 Group is the holding company of a number of subsidiaries which are outlined below. Further details of the organisational structure are included in the Group Structure and Relationships section.

- RGS and Lanesborough - a company limited by guarantee, company registration number 10874615 and charity number 1177353.
- Royal Grammar School Guildford Foundation - a charitable company, company number 4232306 and charity number 1089955.
- RGS Guildford International Limited – company number 09633181.
- The RGS Guildford International (Dubai) Ltd company number 11422203.
- The RGS Guildford International (China) Ltd company number 12104378.

The organisation RGS and Lanesborough ('The School') is a single entity operating as two individually registered schools, the Royal Grammar School, Guildford ('the RGS'), and Lanesborough Preparatory School ('Lanesborough').

As a result of its special relationship with the Cathedral (Lanesborough is the Choir School) and with the Bishop of Guildford nominating a Governor, the Trustee applied to the Secretary of State for both the RGS and Lanesborough to be designated as 'Schools with a Religious Character'. Designation was granted by Statutory Instrument on 15 April 2005.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for the Group. Details of the members of the Governing Body, together with the School's officers and principal advisers, are given on pages 1-2.

The Governing Body is self-appointing. New Governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The Governors are aware of The Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the School applies the principles of the code within its current Governance arrangements.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential Governors and their induction. New Governors are provided with the opportunity to view the schools, provided with relevant background material about the School and the role of a charity trustee and provided with an experienced Governor as a mentor during first year of appointment. Opportunities are provided to attend school events that may give insight into the working of the schools and appropriate training courses are offered to Governors. Particular attention is given to

the identification of suitable courses for new Governors. During the year Governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee (formerly the Academic Committee) to oversee curricular and educational matters; the Lanesborough Committee to oversee all matters pertaining to Lanesborough; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr C Barnett
Lanesborough Committee	Rev RL Cotton
Finance and General Purposes Committee	Mr PG Peel
Nominations Committee	HHJ Critchlow to December 2019 Mr C Barnett from January 2020

The Chief Operating Officer oversees the general business operations of the Group and in particular focuses on the long-term building programme, international developments and wider business opportunities, with the day to day running of the schools delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The Group aims to recruit the best possible staff in all areas. Delivery of the School's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group (previously named The Royal Grammar School, Guildford Limited) is the holding company which retains control of RGS and Lanesborough and all other subsidiaries. Its name changed to 1509 Group on 1 August 2018.

The 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), which works to promote, provide for and raise funds for the School. The Foundation is a charitable company (company number 4232306 and charity number 1089955) and is also a subsidiary of 1509 Group. Considering the financial and non-financial benefit provided by the Foundation, the School has agreed to provide operational resources for the Foundation free of charge.

RGS Guildford International Ltd (company number 09633181), RGS Guildford International (Dubai) Ltd (company number 11422203) and RGS Guildford International (China) Ltd (company number 12104378) are all subsidiaries of the 1509 Group and supply intellectual property and guidance to our partners in Qatar, Dubai and China, to support the development and ongoing operation of their schools.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

Engagement with Employees and Employee Interests

Taking care of our people

The directors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The group reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount importance, particularly at this difficult time, and mechanisms are in place to support staff and colleagues. This ranges from regular catch up sessions with line managers, staff social events and school wide events to support from the school counsellor, school nurse and HR manager.

Communication

Regular updates, meetings and briefings are provided to staff on the day to day operations of the organisations as well as sharing high level changes within the organisation as these arise. Financial updates are provided to staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the group or the sector.

Staff observers are invited to attend the full board of directors' meetings, so they are aware of the high level issues being discussed.

Strategy groups meet regularly to determine the future direction of a range of areas within the school and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits

Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development

There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained as coaches and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety

There is a health and safety policy group which covers the whole organisation, with a committee for each school. These committees are formed of a range of staff within each school and focus on the immediate needs they have. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A new, full time health and safety manager position has been created to ensure that adequate time and resource is devoted to this area. A huge amount of work was undertaken to ensure the safety of staff and pupils when the schools reopened after the Covid-19 related school closures. The risk assessments and procedures were shared with all staff and their input gathered for any additional measures to be put in place. All staff were sent a return to work questionnaire to determine if they had individual issues about returning and, where appropriate, additional measures or adaptations were put in place.

Diversity and Inclusion

The directors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies are non-discriminatory and that all appointments are made solely on the basis of merit. It is part of our ethos that that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in any form. We will continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party has been formed to review and seek to further improve the School's performance in this area on an ongoing basis.

Stakeholder Relations

As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The directors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. Both schools are inspected by the Independent Schools Inspectorate and this covers compliance of a range of regulatory matters as well as the educational provision for pupils. The financial operations of the group are independently audited each year and other audits and regulatory inspections happen on a regular basis. There are a wide range of policies for staff which set out what is expected from Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct.

The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' 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 charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors are 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 charity 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. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE VALUES AND AIMS OF THE GROUP

The object of the holding company, 1509 Group, is 'to promote and provide for the advancement of education in the United Kingdom and any part of the World and, in particular, but without limitation to the foregoing:

- to conduct, acquire and carry on, any boarding or day schools for the education of children of either sex or both sexes in all disciplines and fields of study, or otherwise provide education to persons, and
- provide scholarships, exhibitions and bursaries for young persons, to enable them to further their education

The Group's objects are fulfilled through the running of the School and other subsidiaries, whose activities and financial performance are reflected in these statements.

The object of the School, as described in its charity commission scheme, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The aims of the RGS are:

- Academic opportunity
- Sustainability
- Wellbeing
- Widening Access

In pursuit of these aims, the RGS holds and promotes the following values:

- Inclusivity: we inherently believe in widening access and in educating local boys in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.
- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where individuals approach life with humour and perspective in a community where traditional qualities of decency, politeness and humility are celebrated.
- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Tenacity: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all boys, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Service: we collaborate with others, both single-sex and co-educational partners, for mutual enrichment, and encourage a spirit of altruism and charity, a sense of perspective, and a firm belief that we can work in partnership with other to make a difference, locally and internationally.

At Lanesborough the aims of the school are to be:

- a school where boys are happy within a supportive and caring community.
- a school where we aspire to fulfil the potential of every boy's learning.
- a school where we aspire to fulfil the potential of every boy in art, drama, music, sport and extra-curricular activities.
- a school where boys are able to express their opinions with confidence and good manners.
- a school where success is valued and rewarded.
- a school where we are partners with parents in the education of the boys.

And are embodied in the Lanesborough learning habits of:

- Reflection – I review my learning experiences in order to progress.
- Risk Taking – I am willing to take on challenges with courage and responsibility.
- Perseverance – I keep trying when faced with challenges.
- Engagement – I listen actively and respond positively.
- Independence – I use my initiative to develop my own learning.

The Directors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Directors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Directors' objectives for the School are established to deliver a wide-ranging, high quality education to boys from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work at the RGS and Lanesborough. This is achieved through the Education Committee and Lanesborough Committee plus a programme of Governor visits.

Recent completion of the third phase of a long-term building development plan ('BDP') and the significant extension and remodelling of the existing buildings at the RGS, alongside major investment in Lanesborough facilities over the past 5 years, has improved delivery of teaching and learning and transformed the physical environment of the two schools.

A pilot programme, which made laptops a requirement for some year groups, and the infrastructure to support this approach to teaching and learning, which had commenced pre-lockdown, was rapidly extended to support quality remote education during the period of lockdown. The School's strategy around this has allowed it respond rapidly and successfully to a changed environment for delivery of education and to continue to use this to mitigate against future disturbances and changes.

RGS Guildford has established an exceptional educational reputation in the UK. We have decided to develop this by opening first class schools overseas. RGS Guildford Qatar opened in 2016, RGS Guildford Nanjing opened in September 2020 and will be followed by RGS Guildford Dubai in 2021. Further schools will open in China and possibly elsewhere.

These schools are being opened together with local partners and are long term collaborations which allow us to share our expertise globally while learning from other cultures. Our partners share our educational ethos and have the desire and resources to deliver international schools with fantastic facilities that will share our values.

The reasons for our international expansion are many: partnership; engagement in global cultures; enhanced reputation for the school; and an income which will be used primarily to support bursary funding for boys attending our school in Guildford.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The Royal Grammar School

The last inspection by the Independent Schools Inspectorate was a thorough review of all aspects of life at the RGS and was overwhelmingly positive. The report, which can be accessed in full, from the ISI website, assessed the quality of achievement and learning as exceptional. Every other area assessed was also awarded the highest possible grade. Other areas assessed were the contribution of teaching, the contribution of curricular and co-curricular provision, the arrangements for personal care, the quality of pupils' personal development, and the quality of governance, leadership and management.

The inspection report also captured the essence of the school and the boys. The Inspection report included comments such as: "Pupils are extremely loyal to the school and proud to be part of it"; "The pastoral care [leads]

to exemplary standards of behaviour and open, warm relationships”; “Mutual respect for the views of others is common”; “Pupils are friendly and at ease in one another’s company”; “Excellent interaction takes place between pupils of all age groups”; and “[Pupils] are consistently polite and courteous”.

In addition, the RGS underwent a scheduled ISI Regulatory Compliance Inspection in October 2017 and was deemed to be fully compliant in all regulatory areas.

With unprecedented disruption to the boys’ education due to the pandemic, remote teaching and learning was established from March 2020 for the rest of the academic year. With formal public examinations cancelled at both A Level and GCSE, centre assessed grades (CAGs) were used to determine the boys’ grades. Our results were broadly in line with the official standardisation models and reflected the distribution of grades we would have normally expected to see based on patterns of RGS results in recent years. The professionalism and integrity of the teaching staff allowed us to make robust, realistic predictions which allowed our students to secure places on some of the most competitive courses at the leading universities in the country. Our GCSE students achieved grades which allowed them to pursue their chosen subjects at A Level and to continue to harbour the most ambitious of aspirations.

At A Level, the most common grade achieved by our students was the A*, followed closely by the A grade; in total, 323 A*/A grades were secured. 75 boys achieved a clean set of A* and A grades, 16 of whom gained a perfect set of A* grades.

At GCSE, the most common grade achieved by our students was the gold-standard grade 9; in total 709 grade 9s were achieved. In addition, 349 grade 8s were also secured by this highly able cohort. A remarkable 53 boys achieved a clean sweep of grades 8 and 9: the equivalent to a perfect set of A* grades; 12 boys gained 10 or more grade 9s.

Boys were also successful in achieving **university** places:

- Of a talented cohort, 18 students received offers from Cambridge and Oxford Universities.
- In the last five years 278 students have received offers from Durham University.
- Last year 83% of all accepted offers were to Russell Group Universities with a further 8% to Bath University.
- In the last 10 years, RGS boys have received 325 offers from Oxford and Cambridge Universities.
- This year, RGS boys have been accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering.

A full and varied extra-curricular programme provided the springboard for diverse achievement and experience. The following provides a very brief and selective overview:

- The **Volunteering** Fair at the beginning of the academic year provided the inspiration for active involvement by boys of all ages and staff in a succession of local and community initiatives.
- Over £36,000 was raised for **charity**, with £18,000 raised during lockdown alone as the School continued to adhere to its value of service to make a difference to others, with fund raising from the small scale – cake and doughnut sales, mufti and House charity events – to the grand scale – Charity Day, the Great RGS Bake Off, Sleep Out, Charity Run, Photography Competition, Christmas Fair, Fashion Show and Comedy Night.
- The School continued to nurture and establish **partnerships** with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective.
- Academic, adventurous, cultural and sporting **trips** were restricted due to the pandemic; however, local trips continued to take place, wherever possible, to enrich the learning experience.
- A significant number of boys achieved national or international **sporting recognition** from the mainstream sports to badminton, chess, fencing, ice hockey, sailing, skiing and speed skating, including an outstanding year in shooting.
- From the **Arts’** perspective, concerts, plays and exhibitions of breath-taking quality were experienced by parents, residents and the wider community: these occurred both offline as well as online, during the

lockdown period. Lockdown performances included stunning music concerts recorded individually in homes throughout Surrey and beyond, and then knitted together for broadcast.

- The philosophy of **Sport for All** was very much in evidence throughout the year as over 20 teams regularly played competitive fixtures against other schools on a Saturday. Even during lockdown, a structured programme of strength and conditioning, aerobic and physical fitness opportunities was maintained. This included weekly sporting challenges, remote Games and PE sessions, and remote fixtures against other schools which involved students of all year groups having timed athletic challenges where the cumulative scores were then compared with other schools
- RGS boys enjoyed **national profile** in the Model United Nations, Young Enterprise, Science Olympiads, debating, national essay and engineering competitions. In the latter part of the year, a number of these events moved online including the inaugural virtual Model United Nations conference held by Wycombe Abbey, at which RGS delegates enjoyed considerable success.

Lanesborough Preparatory School

Lanesborough underwent its most recent comprehensive, cyclical review by the Independent Schools Inspectorate in late 2019 and received an emphatically positive report. The report, in full, can be accessed on the ISI website. The quality of achievement and learning, along with all of other areas, was deemed exceptional - the highest possible grade.

The Inspection report included comments such as: "Pupils develop excellent artistic and musical skills as they move through the school". "Pupils improve their knowledge, skills and understanding at an increasing rate as they move through the school". "They have strong communication skills, using a rich vocabulary for their age". "The school very successfully achieves its aim to be a supportive and caring community; pupils thrive and are happy and demonstrate the school's values of empathy and confidence". "Self-reflection is at the core at pupils' approach to their work in all areas". "All pupils develop a strong social awareness and evince a deep loyalty to what they invariably describe as "our school".

In addition, Lanesborough underwent a scheduled ISI Regulatory Compliance Inspection in November 2019 and was deemed to be fully compliant in all regulatory areas.

Lanesborough has had a successful year academically despite the Coronavirus pandemic. From April 2020, our boys worked remotely using Microsoft Teams and the online learning platform Showbie. Our last Year 8s left at the end of July 2020 having had a fantastic final year and our Year 6s enjoyed more leadership opportunities, as well as leadership training during the first two terms. Among the many highlights of the year are the following:

- 9 scholarships were awarded for their senior schools in the full range of Art, Music, Sport and Academic.
- Year 8 boys passed Common Entrance into their chosen senior school.
- 17 distinctions were achieved in ABRSM exams.
- 5 boys achieved gold in the UK Junior Mathematics Challenge.

Sport continues to be a very important part of life at Lanesborough. This year the boys competed against other schools in squash, which is a first for the school for some time. We also offered more competitive football fixtures to our Pre-Prep boys. We continued to employ 2 Sports Apprentices and add to the number of qualified and specialist sports staff.

Music, as always, plays a huge part in the life of Lanesborough. There has been a further increase in the number of instruments available for boys to learn – and this, in turn, has increased the number and quality of the ensembles available. Various concert trips were arranged to include GLive and a day at the opera for Year 8. Every half-term, we continued our Informal Concerts with the boys showcasing their talents. During the period of remote learning, the boys performed in virtual concerts.

Drama, through specialist teaching in both Pre-Prep and Prep, continues to grow. Our Pre-Prep boys all performed with great confidence in their Nativity and our Year 6's put on a Christmas Show to the school with a spoof based on James Bond. The boys visited various theatre productions including an exciting version of *The*

Lion, the Witch and the Wardrobe at the Bridge theatre in London. Drama Club and Theatre bugs are very popular extracurricular activities. Philosophy Club, coding, science, Warhammer, chess as well as sport, music and art, all feature prominently in the Clubs provision.

Take up of Breakfast and After School Care has continued to increase and this is a clearly a valuable service for the parents.

As always, the boys very much look forward to the annual residential trips, enjoying the excitement and challenge of being away from home. The last Year 8 trip to Spain took place in October half-term 2019. In February 2020, Year 6 went to France and Belgium to learn about World War I. Every summer term the boys in Years 3 – 8 come off curriculum for a week to take part in an Activities Week which involves residential trips, day excursions and project work. However, this year, we were unable to do so due to the pandemic. Instead we had virtual events or trips. For example, the boys created a marble run and had a virtual theatre trip. We also had several quizzes and games, for example a “Guess the Baby” competition and a “Through the Keyhole” quiz.

The boys continue to support a wide range of charities, both local and international including Children in Need, Save the Children, the Phyllis Tuckwell Hospice, and MacMillan Cancer (with over £700 being raised when the Year 6 boys hosted the World’s Biggest Coffee Morning). Charities supported are chosen by the boys.

Lanesborough School supports a strong values system which is in place to support the personal, social and spiritual development of every pupil throughout the school. One value is focussed on each month chosen from a variety of selected values rotated on a 2-year cycle e.g. fairness, respect, courage, ambition. This continues to be one of the underpinning features of the School.

Lanesborough is supported by a wonderful and very active Parents’ Association, which organises many exciting events to raise money for the school. The Christmas Fair was a highlight before the pandemic and it was wonderful seeing all the boys buying presents for their loved ones.

Our yearly Prize Giving events are highlights of our year when we can share and celebrate the numerous and varied achievements of all the boys at Lanesborough. It is a wonderful occasion shared with the school, parents, Governors and VIPs. This year we had our first virtual event, which was very successful and was an opportunity to say farewell to our headteacher, Clare Turnbull after 13 happy and successful years of her leadership.

Public benefit

The main beneficiaries of the School’s work are boys aged 3 to 18 attending its schools. Governors have given due consideration to the Charities Commission guidance on Public Benefit guidance under Charities Act 2011 when considering activities in this area.

Governors wish the School’s education to be widely available and so bursary applications are welcomed from families who could not otherwise afford to send their son to the School. Support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees are also considered.

In the year, 74 boys benefitted from bursary funding of £1 million. Within this are 26 boys who received full fee remission for at least one term.

In addition to bursaries, the School gives opportunities to pupils of local schools to share the School’s expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- Increasing links are being made with other local schools via the shared development of teacher CPD, the provision of revision sessions and academic support in a local senior school, and the membership of local educational partnerships. For example:
- The School is an associate member of a local MAT, the Guildford Education Partnership (GEP). The Headmaster of RGS is a GEP Trustee, with the RGS Bursar a member of Sandfield Primary School GLAC, and the RGS HR Manager a member of Loseley Fields Primary School GLAC. Some RGS staff are deployed

to teach in GEP schools: Physics staff provided weekly tuition for Y11 Kings College pupils and French lessons for Y5&6 were provided at Sandfield Primary School; and, at Secondary level, Science Staff provided a programme of revision lessons for Y13 Biology, Chemistry, Physics at Fullbrook School. The Enquiring Teacher Programme which facilitates the sharing of research between teachers is a flagship partnership programme and is jointly led and administrated with the GEP schools. An RGS MFL teacher provided Spanish subject knowledge enhancement CPD for GEP teachers throughout the year and this continued online during lockdown.

- Several RGS Staff also act as governors or trustees at other schools or organisations
- As part of our partnership with the GEP, the School continued to support specifically a local Secondary School (Kings College). The School provided weekly Physics lessons specifically aimed at Y11 Gifted and Talented pupils, Maths extension lessons for Y9 pupils, Maths revision lessons for Y11 pupils, and additional English sessions to provide stretch and challenge in English literature.
- During lockdown, the RGS community also supported Kings College by organising a Devices for Kings scheme to enable families to donate surplus laptops, tablets and desktops to Kings to enable their pupils to engage with remote learning. Over 50 devices were donated, which combined with Kings' own efforts, meant that all pupils had a device to access remote education.
- The GEP MAT is increasingly working closely with the Athena Schools Trust, another local MAT, and the RGS have also improved our links with Athena. An RGS Deputy Head is a governor at Guildford County School. A Chemistry teacher helped provide cover teaching due to a long-term absence at Guildford County School from March-July 2021; This started in person with Y10, Y11 and Y13, and then moved to remote provision for Y10 throughout lockdown.
- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other educational providers and sharing of provision. Royal Grammar School staff contribute to the Steering Group, the Teaching and Learning Group, and the Examinations Officers Group. During the last year, RGS launched a new innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). Unfortunately, the full range of planned programmes did not occur due to lockdown, but before March two very successful events were held at two local schools – A shout Out UK Politics event at St Peters' School and a Children's Business Fair Entrepreneur event at Kings College.

There are also significant Outreach programmes for Primary and secondary pupils. For example:

- The RGS Strings Scheme teaches all year 4 pupils in three Guildford primary schools (St Thomas', Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Over 200 pupils now take part in the scheme each week. There are also annual platforms for performance at the primary school, the Royal Grammar School, and also alongside the Southern Pro Musica orchestra on stage at a local concert venue. This scheme is only possible due to the generous support of our principal donors: The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS) and Southern Pro Musica Orchestra. The 'Strictly Strings Orchestra' for continuers hosted at the RGS allows approximately 30 graduates of the string Schemes to continue to play in an orchestra to complement their individual tuition. This orchestra is generously funded by Southern Pro Musica and The Mila Trust. The scheme continued despite the trials of lockdown and swiftly adapted to remote provision. The School uploaded over 40 short videos online to help Year 4 pupils continue with their learning. Once it became clear that pupils would not be returning to school until September, the organisers offered all pupils free one-to-one Zoom lessons with their teacher of choice and have since delivered 75 hours of tuition remotely.
- Additionally, funds donated by the Southern Pro Musica orchestra which are usually used to run whole day samba workshops at three local Primary schools (Sandfield, Guildford Grove and Loseley Fields), were used to provide remote teaching for all pupils at these schools using online Inspire Works Cajun tutorials.

- The RGS Primary Masterclasses were hosted over four weeks during November as usual. In 2019, 124 children from 32 local primary schools and 28 members of teaching staff took part, along with over 20 RGS boys volunteering their time on Saturday mornings. The emphasis of the classes is on stimulation, discovery and enjoyment. The classes are aimed at able pupils who are judged to have potential and interest, as well as enthusiasm and persistence. Pupils have the opportunity to attend sessions on Design and Technology, Creative Arts, Mathematics, Science, Modern Languages and, new this year, Humanities. This Humanities Stream included classes on Politics, where the children ran a mock election, RS/Philosophy discussed the topic of Humanity, Geography explored Global Inequality via a trading game and History explored what it means to be British.
"My son has loved the Masterclasses. They have given him the opportunity to see how education can be taught in a challenging but fun way and broaden his mind to the topics covered."
"I enjoyed doing experiments that we wouldn't normally do in school, like the explosions we did, and I enjoyed learning about DNA, I enjoyed having access to equipment like microscopes."
"I enjoyed learning new things and recognising what I was capable of."
- During the 2019-20 year, The RGS welcomed around 600 pupils from local Primary schools to take part in a Tudor Experience Day during the Michaelmas and Lent terms. The aim is to build on their knowledge of the Tudor period and develop a greater understanding of life at that time. Pupils learn about the history of the school in Tudor times, visit the Chained Library and enjoy sessions on Tudor art, music, weapons and finish by making a movie of their day. There was only one cancellation at the end of the Lent term due to the outbreak of Covid-19 and we look forward to welcoming the Primary schools back soon.
- Each week, via the Activities and General Studies programmes, Sixth Form students, accompanied by RGS staff, provide afterschool clubs for local Primary schools, covering Maths, Chess, and Technology. One Group of pupils also visited the local Abbott's Hospital to take oral histories of residents.
- At secondary school level, pupils from other local schools are invited to attend many a varied event each year; for example: Classics, Geography, Politics and Science Society lectures, Careers Seminars, Guildford Maths lecture, public art events, drama and music performances, author visits etc. Support is also given to pupils from other schools for preparation with Oxbridge and medical school interviews as well as more general university application advice by a range of departments.
- At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Nepal and Cambodia where staff and pupils visit from the UK. Unfortunately, planned expeditions in 2020 had to be cancelled due to the Covid pandemic.
- School facilities are made available to other members of the community free of charge, and halls have been used for a Christmas Fayre, the AWTAs have been used for youth football and for the first time this year the MCC used the sports hall and cricket nets to provide coaching to state school pupils free of charge – the RGS donated our facility and met all associated security costs. The school has been the venue for the local Classics and Geographical Society meetings, rehearsal space for the Chantry Singers. During the summer, RGS also hosted Camp Beaumont – a multi-activity camp for Primary children – 10 places were provided for free to deprived pupils at local Primary schools.
- Lanesborough provides work experience for students from local schools, where and when possible, as well as accepting gap year students to work on projects where needed. Former pupils are also welcomed back to assist with sports days and events.
- Two apprenticeships are also being supported in the sports department of Lanesborough.
- Two Lanesborough staff members also served as Governors at State schools.

During Lockdown, a number of new initiatives were developed in response to the situation. The following is a summary of these lockdown-specific activities:

- **Kings Device Donation:** The RGS community donated unwanted laptops, tablets and desktops for Kings to deploy with their pupils to support remote learning. Over 60 devices were donated. The Kings Headteacher, Mr McKenzie, and his staff were overwhelmed by the generosity of strangers and commented: "I cannot over-emphasise how much of a difference they will make to families...and my certainty in the kindness of people grows ever stronger."
- **The Great Guildford County School Food Drop:** The RGS community supported Guildford County School, working with the Guildford Salvation Army, to collect food and other essentials which they delivered to families in need.
- **PPE:** The Head of Technology designed and made face visors using the RGS laser cutters. The design was based on the Kitronic specification. We provided the visors free of charge to any organisations or individuals who were unable to get the PPE they need such as care homes, pharmacists, key workers and volunteers supporting others. Over 400 free visors were supplied to twenty-five different organisations. A Y9 pupil supported by staff, made 'no-touch tools' and attachments using his 3D printer in his garage in response to a request by the owner of a care home for use by staff. The tools enable staff to open doors and press buttons without touching them with their hands.
- **String Scheme:** As mentioned above, the RGS String Schemes, in partnership with The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS) & Southern Pro Musica (SPM), continued to provide violin and cello tuition to over 200 pupils at St Thomas', Sandfield and Boxgrove primary schools via online videos and coordinated a remote end of year joint concert.
- **World Music:** RGS Head of Strings, with backing from SPM, has also arranged for Inspire Works to deliver an on-line samba project with pupils at Loseley Fields and Guildford Grove primary schools.
- **Remote music performances:** During half term, the RGS Head of Keyboards, Head of Strings and five RGS pupils recorded performances at school for several remote musical endeavours in conjunction with Southern Pro Musica (SPM) orchestra for distribution to key workers.
- **Volunteering:** RGS Head of Volunteering re-established some connections with the organisations which our Sixth Form pupils visit during P8 as part of the P8 Volunteering programme. It was heartening to hear that a L6th pupil had recorded several piano pieces to be shared with the residents of the Seeability Denecroft. Several junior boys also made Easter cards for the residents of all the care homes we usually visit. Additionally, nine pupils from Y7 to L6th recorded music performances and personal messages to send to local care home residents. We received some touching messages of thanks from staff at our partner care homes; Pilgrim's Wood even hosted a special tea party 'concert' for all their residents and staff.
- **Chemistry:** As mentioned above, before the school shut down, an RGS Chemistry teacher was acting as a cover teacher at Guildford County School teaching Chemistry to Y10, 11 and 13 pupils following a member of their staff being on long-term sick leave. Following lockdown, he used the expertise developed at the RGS to continue teaching the Guildford County pupils remotely to ensure that they did not fall behind in their studies. The Chemistry department has also electronically shared resources designed to stretch and challenge Sixth Form pupils with Fullbrook School.
- **IT Department:** RGS Head of IT supported by the whole IT team published all of the IT guides and 'how to' videos to anyone via the RGS website.
- **Charity:** During lockdown, remote events raised funds for over £18,000 to the nominated School charities.

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

‘A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company’s employees
3. The need to foster the Company’s business relationships with suppliers, beneficiaries and others
4. The impact of the Company’s operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company

Beneficiaries

The beneficiaries of the organisation are the pupils and the Directors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings **The values and aims of the group** and **achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School’s aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.

The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the directors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors’ report.

In light of the Covid-19 pandemic, extensive measures have been put in place to optimise the safety of pupils and staff, whether they are working remotely or are in school. All relevant guidelines have been followed and detailed risk assessments undertaken, all of which remain under regular review.

Community and Environment

The schools are at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of directors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors’ report, each committee has a specific focus, but considers the overall impact of decisions on the wider organisation. Since March 2020, the impact of the Covid-19 situation has been regularly and frequently shared with the directors, who are fully aware of the measures being put in place to manage this whilst continuing to provide the best education for the pupils and ensuring the safety and wellbeing of staff and pupils alike.

Culture and Values

The values of each school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a new legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by RGS & Lanesborough is included in the table below:

	Gas	Electricity	Transport	Total
kWh	1,637,475	1,039,759	81,991	2,759,225
Mileage			68,900	68,900
KgCO2e	301,082	242,409	20,963	564,454
tCO2e	301	242	21	564

UK energy use covers all educational and ancillary activities across the School.

Associated Greenhouse gases have been calculated using 2020 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For RGS & Lanesborough we have used the average number of pupils over the year as the relevant operational driver. **In 2019/20 1,298 pupils accounted for emissions of on average 435 kgCo2e each.** This metric will be calculated annually and compared against previous years.

As part of a rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- Light fittings are replaced with energy efficient LED devices with motion detectors where possible.
- Some windows and doors replaced with more energy efficient versions.
- Washrooms were fitted with water saving cisterns and restricted flow water outlets.
- Where required, boilers were replaced with energy efficient models.
- Loft insulation and boarding was installed.

FINANCIAL REVIEW

Results for the year

The Group considers it a successful outcome that, in a year of significant disruption to education and to the local, national and international economy and way of life, it has been possible to deliver a positive net inflow of funds for the year, whilst continuing to deliver an outstanding educational offering to its pupils. The Group's net income and capital inflow totalled £474k from £24.3m total income. The Group also generated a cash surplus which was sufficient to cover planned annual investment in its facilities and to support partial repayment of loan financing of the Schools' long-term buildings development plan.

The positive net movement was largely generated by profits from the International Companies, totalling £257k combined with the retained surplus in the Foundation of £278k, which is held in a reserved fund for deferred release to cover the bursaries of boys who have joined the school and for whom fees will need to be covered in future years.

Total income also includes investment income of £14k (2019: £16k).

With effect from March 2020 the RGS & Lanesborough school buildings and sites were closed to pupils, other than children of key workers, and remained so for almost all of the Trinity term. A remission in fees of between 10% and 30%, depending on year group, was extended to all fee payers for this term, in recognition of the change in provision and the prevailing exceptional circumstances. Alongside the School's regular bursary programme, hardship bursary support was extended to six families, with the generous support of donors and current parents.

To mitigate the reduction in fee income, the School availed of government support available through the Covid Job Retention Scheme for those staff members whose roles could not be fulfilled while the majority of pupils remained offsite. Other cost efficiencies were also sought and achieved, in addition to the rescheduling of loan repayments to ensure that sufficient cash reserves were maintained to cover obligations as they fell due.

Remote learning was put in place for students in the school in Qatar and demand for pupil places remains high. The school in Nanjing opened in September 2020 as planned and plans for opening the new school in Dubai continue unchanged, activities in support of this continuing. Income from the overseas ventures continues to be received in line with agreements.

The operational and economic impact of the COVID-19 outbreak continues to emerge and evolve. Nonetheless demand for the School remains high and it is thought likely that pupil numbers will be maintained in the foreseeable future. Whilst some provision has been made for bad debts, collection of fee income has been more positive than possible scenarios which were planned for. The Directors have considered the impact of the ongoing pandemic on the Group's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability.

The vast majority of the Group's funds are held in the form of the buildings and physical assets of the School. At year end the Group reports total funds of £38.2m (2019: £37.7m) which includes £724k of unspent restricted income (2019: £312k). Net current assets – broadly equivalent to liquid reserves- of £3.1m were held at the end of the year (2019: £2.1m)

The Group seeks to carry sufficient but not significant levels of free reserves for contingency purposes. During the year, and in particular during the period affected by the Covid-19 outbreak, the level of liquid reserves was adequate to meet commitments as they fell due, without recourse to additional borrowing.

Since the year end the Group continues to be impacted by the coronavirus and a number of measures have been taken to ensure operations can continue and to ensure sufficient financial resources are in place to meet the day to day needs of the School.

Both Guildford schools fully reopened in September 2020 with a record number of pupils on roll at the RGS. All students are now required to equip themselves with laptops which can support remote learning. Blended in-class

and remote learning is offered to support both those students who attend in person each day and the small number required to work away from school, in the current circumstances. Full remote learning is ready to be rolled out should this prove necessary. We anticipate that our existing fee income will continue but also anticipate that there may be some delay in collection of this income.

The Nanjing school opened as planned and activities in support of it continue. Fee income resulted following the initial signing of the development agreement. In Qatar, expansion of the school continues with pupil numbers having grown to more than 500 at year end from Nursery to Grade 10. At the time of approval of the Annual Report, the effect of the COVID-19 pandemic is evolving and the long term impact on the business is unknown. Remote learning has been put in place for all students and full fees continue to be charged. Demand for places remains strong with sustained growth in the pupil base year on year and in line with projections. Plans for the school in Dubai to open in September 2021 remain unchanged and activities in support of this continue. Fee income arising from the operating agreement has continued to be invoiced as normal and received when due.

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. This includes the impact of coronavirus on operations together with assumptions around recovery thereafter. These scenarios consider reduced pupil numbers, delayed fee payment, potential bad debts as well as impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The School reviews its investment policy annually and adapts it if appropriate. The policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs) which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors
- Investments will be made on the instruction of the F&GP
- Money held as cash on behalf of Restricted funds will be credited with interest at the School's marginal borrowing rate
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the Schools.

The School's investments relate to restricted and prize funds. The performance of the funds has been in line with expectations.

For more detailed information about the School's investments, please refer to note 7.

Fundraising

Fundraising for RGS funding priorities is exclusively carried out by the Royal Grammar School, Guildford Foundation Limited, which raises funds for bursaries. The costs of the Foundation are met entirely by the School.

In addition, a small amount of volunteer fundraising is carried out by the Parents' Associations of both RGS and Lanesborough, and also by the boys themselves.

The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. As no professional organisations or commercial participators are currently used by the Foundation, no monitoring processes are required. The Foundation adheres to the Code of Fundraising Practice when undertaking fundraising activity and intends to voluntarily subscribe to the Fundraising Regulator in the next financial year. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances. There were no complaints received by the Foundation in respect of fundraising activity.

FUTURE PLANS

Each school's development plans were agreed by Governors and are subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community.
- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level.
- To enhance further the support for students' and staff welfare and personal development.
- To foster outstanding teaching and learning at the RGS and Lanesborough.

These plans underpin individual detailed development plans for each area, which will enhance the School's ability to provide an exceptional education.

In September 2020 Lanesborough moved to a school that finishes at Year 6 and is now a school for boys aged 3 – 11. It is planned that the number of pupils will remain the same, with larger year groups (with more classes) in the Prep Department. As a result, Lanesborough becomes the leading boys only prep school to 11 in the county – with the most amazing resources and fabulous staff, retaining all the benefits of offering a broad, specialist based curriculum in the top part of the School and will continue to prepare boys for the range of excellent local schools in the area, the majority of which now offer an entry at 11.

The ongoing situation with regard to the pandemic is kept under constant review and plans continue to evolve in as further guidance is received. Contingency planning is ongoing for a number of possible scenarios.

RISK MANAGEMENT

The Directors have examined the principal areas of the schools' operations and considered the major risks faced in each of these areas. Each of the two schools updates its risk assessment at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGS Education committee and the Lanesborough committee as appropriate before passing to the F&GP committee and the Board for discussion.

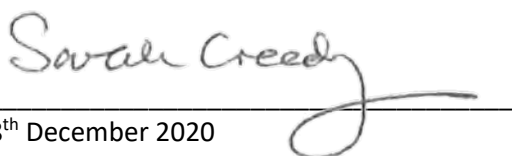
The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the school's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGS or Head of Lanesborough could detrimentally affect the schools' admissions and performance. The development of members of the senior team in each school and ongoing support of the governors will help reduce the impact of a change of Head.

- Uncertainties for the economy post Brexit could further affect parents' finances and could lead to increased debts to the school and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- Changes in the political climate could lead to the introduction of legislation that could lead to financial pressure on independent schools. The outcomes of policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.
- Incidence of a pandemic adversely impacting on the schools' ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Excellent remote teaching and learning capability was rolled out and enhanced by the school during the initial period of lockdown, significantly mitigating the risk of the schools being unable to deliver quality education. Special regular meetings of the Senior Management Teams of both schools are convened to address the emerging issues for Covid-19 on a day-by-day basis, with regular updates to directors, and performance against revised forecasts is reviewed regularly to monitor cash and resources. These continued throughout the Summer and remain ongoing in the following school year

The School has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the School's day to day operations. The School regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:



8th December 2020

Mrs S K Creedy

Independent Auditor's Report to the Members of 1509 Group

Opinion

We have audited the financial statements of 1509 Group for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated and Company Balance Sheets, 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 the charitable company's affairs as at 31 July 2020 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 Companies Act 2006.

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 charitable company'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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the

financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 or the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 14 December 2020

Consolidated	Note	Unrestricted Funds	Restricted Funds	2019-2020 Total	2018-2019 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2 (a)	21,415	0	21,415	21,523
Other educational income	4 (a)	1,112	0	1,112	1,520
Other ancillary trading income	4 (b)	768	0	768	495
Donations and Legacies					
Donations and legacies		3	545	548	219
Investments					
Income from Investments		14	0	14	16
Other Income	4 (c)	452	0	452	104
Total Income		<u>23,764</u>	<u>545</u>	<u>24,309</u>	<u>23,877</u>
Expenditure on:					
Raising Funds					
Financing costs under					
Advance Fee contracts		4	0	4	3
Bank interest		107	0	107	121
Corporation Tax		(11)		(11)	0
Pension Commitment net financial					
Costs	17	<u>5</u>	<u>0</u>	<u>5</u>	<u>24</u>
Fundraising costs	5 (a)	105	0	105	148
Charitable activities	5 (b)				
Schools and grantmaking		22,048	361	22,409	22,441
Ancillary Trading		7	0	7	3
Total Expenditure		<u>22,160</u>	<u>361</u>	<u>22,521</u>	<u>22,592</u>
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS					
		1,604	184	1,788	1,285
Net gains on investments		3	0	3	0
NET INCOME		<u>1,607</u>	<u>184</u>	<u>1,791</u>	<u>1,285</u>
Transfers between funds	14 (d)	(124)	124	0	0
Pension Scheme Actuarial (Losses)	17 (iv)	(1,317)	0	(1,317)	(226)
NET MOVEMENT IN FUNDS		166	308	474	1,059
Fund balances brought forward at 1 August 2019	20	<u>37,381</u>	<u>312</u>	<u>37,693</u>	<u>36,634</u>
FUND BALANCES carried forward at 31 July 2020		<u>37,547</u>	<u>620</u>	<u>38,167</u>	<u>37,693</u>

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

Company number 4104101

Consolidated

	Note	2020 £000	2019 £000
FIXED ASSETS			
Tangible fixed assets	7	40,391	41,823
Investment assets	8	162	158
		<u>40,553</u>	<u>41,981</u>
CURRENT ASSETS			
Stocks	9	81	82
Debtors	10	609	913
Cash and deposits		7,652	6,801
		<u>8,342</u>	<u>7,796</u>
CREDITORS: due within one year	11	(5,260)	(5,723)
		<u></u>	<u></u>
NET CURRENT ASSETS		3,082	2,073
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,635</u>	<u>44,054</u>
CREDITORS: due after more than one year	12	(3,646)	(5,860)
NET ASSETS BEFORE PENSION SCHEME LIABILITIES		<u>39,989</u>	<u>38,194</u>
Pension Scheme Liabilities	18 (i)	(1,822)	(500)
		<u></u>	<u></u>
TOTAL NET ASSETS		<u><u>38,167</u></u>	<u><u>37,694</u></u>
Represented by:	14		
RESTRICTED FUNDS		620	312
UNRESTRICTED FUNDS			
Designated		35,224	34,225
General		<u>2,323</u>	<u>3,157</u>
UNRESTRICTED FUNDS		37,547	37,382
		<u></u>	<u></u>
TOTAL FUNDS		<u><u>38,167</u></u>	<u><u>37,694</u></u>

Approved by the Board of 1509 Group on 8th December 2020 and signed on behalf of the Company by:

)	
)	Board Member
Mrs S K Creedy)	
)	
)	
)	Board Member
Mr P G Peel)	

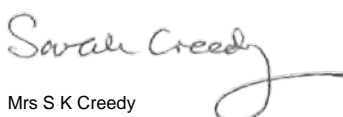

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

Company number 4104101

	Notes	2020 £000	2019 £000
FIXED ASSETS			
Investment Property	8	0	0
CURRENT ASSETS			
Prepayments/Accrued Income	10	0	0
Amounts owed from the School for recharges		0	0
Cash		14	14
		<u>14</u>	<u>14</u>
CREDITORS: due within one year			
Amounts owed to the School for recharges	11	(4)	(1)
VAT creditor	11	0	0
Accruals	11	0	(3)
		<u>(4)</u>	<u>(4)</u>
NET CURRENT ASSETS		<u>10</u>	<u>10</u>
TOTAL NET ASSETS		<u><u>10</u></u>	<u><u>10</u></u>
Represented by:			
RESTRICTED FUNDS		12	14
UNRESTRICTED FUNDS		(2)	(4)
Total funds		<u><u>10</u></u>	<u><u>10</u></u>

The unconsolidated surplus of the company was £719 (2019: Deficit £2,060)

Approved by the Board of The 1509 Group on 8th December 2020 and signed on its behalf by:

)	
Mrs S K Creedy)	Board Member
)	
Mr P G Peel)	Board Member

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

Consolidated	Note	2020	2019
		£000	£000
Net cash inflow from operations			
Net cash provided by operating activities		3,720	6,176
Cash flows from investing activities:			
Payments for tangible fixed assets	7	(370)	(2,169)
Proceeds on sale of tangible fixed assets		21	2
Additions to investments	8	(1)	0
Investment income and bank interest received		14	16
Net cash (used in) investing activities		(336)	(2,151)
Cash flows from financing activities:			
Finance costs paid		(2,533)	(121)
Net cash provided by financing activities		(2,533)	(121)
Change in cash and cash equivalents in the year		851	3,904
Cash and cash equivalents at 1 August 2019		6,801	2,897
Cash and cash equivalents at 31 July 2020		7,652	6,801

Net Cash Inflow from Operating Activities			2020	2019
Net incoming resources			1,788	1,285
Elimination of non-operating cash flows:				
-Investment Income			(14)	(16)
-Finance Costs			2,533	121
Defined benefit pension scheme adjustments	18		5	24
Depreciation	7		1,800	1,652
(Profit) on sale of fixed assets			(20)	(2)
Decrease in stocks			1	0
Decrease/(increase) in debtors			304	(283)
(Decrease)/increase in creditors			(2,713)	3,356
(Decrease) in fees in advance scheme creditors			(11)	(42)
Increase in parents' deposits			47	81
			<u>3,720</u>	<u>6,176</u>
Changes in Cash and Cash equivalents				

Analysis of balances	Change in	2020	2019
	Year		
Balances at 31 July			
Cash	(1)	4	5
Cash Equivalents (Deposits of < 3 Months)	852	7,648	6,796
Changes in Cash and Cash equivalents from the School's operations	851	7,652	6,801

The accounting policies and notes on pages 27 to 44 form part of these Financial Statements.

ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the charity, in common with other businesses, remains unknown. Experience gained by the school in providing remote learning combined with strong performance in collection of fee income for the past two affected terms, provides more informed parameters for estimating the risk to the charity. As outlined in the Financial Review, the Directors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The charity currently holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at RGS & Lanesborough remains strong, with historically high numbers enrolled for the academic year 2020/21. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Directors believe the Schools' financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The School is a Public Benefit Entity registered as a charity in England and Wales, Company Number 10874615, Charity Number 1177353 (2018: King Edward VI's Grammar School (The Royal Grammar School) Guildford, Charity Number 312028). It was registered as a charity on 19 July 2017 and its registered office is The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities - the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 16.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements:

Statement of Financial Activities (SOFA)

The School has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and

Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the Directors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

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 after deductible allowances, scholarships and remissions allowed by The School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the group are credited to school income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Income from Government Grants

Government grant income received in the year – and specifically that received under the Coronavirus Job Retention Scheme – is reported under the heading Other Income and separately identified in the notes to the accounts. Such income has been recognised under the accrual model whereby grant income is recognised in the period in which the expense to which it relates was incurred.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Investments are shown at their fair values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted or restricted funds as appropriate and are accounted for in the SOFA.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £1,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by The School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	- 2% per annum on a straight line basis
Furniture & Fittings	- 15% per annum on a straight line basis
Computer Equipment	- 25% per annum on a straight line basis
Photocopiers	- 20% per annum on a straight line basis
Motor Vehicles	- 30% per annum on a reducing balance basis
Playing Field Equipment	- 12.5% per annum on a straight line basis
Leasehold Property	- over the length of lease
Leasehold Improvements	- over the length of lease
Major Refurbishment	- 4% per annum on a straight line basis

Stock

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

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

The School also contributes to the Surrey County Council Superannuation Fund, which is a defined benefit scheme for support staff, and is closed to new entrants from the School. The School has fully adopted FRS 102 and, in accordance with this the following elements are charged to the SOFA:

- i. The service costs of pension provision relating to the year, together with the cost of any benefits relating to past service.
- ii. The net finance cost represented by a charge equal to the increase in the present value of the Scheme liabilities and a credit equivalent to the long term expected return on assets.
- iii. The actuarial gain or loss on the Scheme assets and liabilities.

The difference between the market value of assets of the Scheme and the present value of accrued pension liabilities is shown as a liability on the Balance Sheet.

Investments in funds are valued at bid price quoted by the investment manager at the Balance Sheet dates.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by The School under the rules of the Scheme.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31st July 2020. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. The Royal Grammar School and Lanesborough School are treated as separate Schools for this purpose. Under FRS 102 this year all deposits are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity The School is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates. The School registered for VAT from 18th November 2015, the charity formed a VAT group in May 2019.

	2020	2019
2. CHARITABLE ACTIVITIES - FEES RECEIVABLE		
	£000	£000
(a) The Group's school fee income comprised:		
Gross fees	22,908	23,084
Less: Total bursaries, scholarships and discounts	(1,790)	(1,773)
	21,118	21,311
Add back: Bursaries paid for by Restricted/Designated Funds	297	212
	21,415	21,523
	Restricted Funds	Unrestricted Funds
	2020	2019
	£000	£000
(b) Grants and awards paid for by Restricted/Designated Funds comprised		
Bursaries for pupils	297	0
	297	212

Bursaries were awarded from Restricted/General Funds to 74 individuals (2019: 76).

3. Subsidiary Results and Balance Sheets

The results and balance sheets of the subsidiaries of 1509 Group are shown in their summarised financial statements presented below. The Royal Grammar School Guildford International was incorporated on 10th June 2015, RGS Guildford International (Dubai) Ltd was incorporated on 19 June 2018 and RGS Guildford International (China) was incorporated on 15th July 2019. All group organisations were registered in England and Wales and share the same registered office as the parent charity, at The Royal Grammar School, Guildford, High Street, Guildford, Surrey GU1 3BB.

The numbers include intercompany trading.

Financial year 2019/20

	Income £000	Expense £000	Net Result £000	Assets £000	Liabilities £000	Net assets £000
RGS and Lanesborough	23,566	23,543	23	47,970	10,767	37,203
Foundation	624	347	277	623	48	575
RGS Guildford International Ltd	219	146	73	285	107	178
RGS Guildford International (Dubai) Ltd	200	115	85	231	138	93
RGS Guildford International (China) Ltd	343	245	98	292	194	98

Financial year 2018/19

	Income £000	Expense £000	Net Result £000	Assets £000	Liabilities £000	Net assets £000
RGS and Lanesborough	23,508	22,572	911	49,032	11,853	37,179
Foundation	279	243	37	303	6	297
RGS Guildford International Ltd	131	120	11	190	85	105
RGS Guildford International (Dubai) Ltd	310	207	103	345	241	103
RGS Guildford International (China) Ltd	0	0	0	0	0	0

1509 GROUP	Company Number	Charity Number	% Ownership
RGS and Lanesborough	10874615	1177353	100%
Foundation	4232306	1089955	100%
RGS Guildford International Ltd	9633181	N/A	100%
RGS Guildford International (Dubai) Ltd	11422203	N/A	100%
RGS Guildford International (China) Ltd	12104378	N/A	100%
RGS Guildford Enterprise Ltd	12248925	N/A	100%

This entity was dormant in 2019/20

The group is availing itself of the exemptions under Section 394a (preparing accounts for a dormant subsidiary), Section 448a (exemption from filing accounts for a dormant subsidiary) and Section 479a (exemption from audit for a dormant subsidiary) of the Companies Act 2006.

4. CHARITABLE INCOME - OTHER**(a) Other educational income**

	2020	2019
	£000	£000
Registration fees	49	45
Sundry parental receipts	1,000	1,464
Sub-lettings	63	11
	<u>1,112</u>	<u>1,520</u>

(b) Other ancillary trading income

	2020	2019
	£000	£000
Insurance commissions	0	15
Income from overseas activities	762	441
Sales of merchandise	6	39
Total for Group	<u>768</u>	<u>495</u>

(c) Other incoming resources

	Restricted Funds	Unrestricted Funds	2020	2019
	£000	£000	£000	£000
Gains on sale of tangible fixed assets	0	20	20	2
Government Grant - Job Retention Scheme	0	261	261	0
Other	0	171	171	102
	<u>0</u>	<u>452</u>	<u>452</u>	<u>104</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	2020	2019
	£000	£000	£000	Total £000	Total £000
(a) Cost of Generating Funds (School & Group)					
Finance costs - School & Group	0	105	0	105	148
Total for School & Group	<u>0</u>	<u>105</u>	<u>0</u>	<u>105</u>	<u>148</u>
(b) Charitable activities					
Schools and grant making					
Teaching	12,041	1,616	297	13,954	14,277
Welfare	79	793	0	872	1,261
Premises	482	1,954	1,097	3,533	3,108
Support costs of schooling	2,182	1,165	406	3,753	3,584
Grants, awards and prizes	0	297	0	297	212
Group's Operating Costs	<u>14,784</u>	<u>5,825</u>	<u>1,800</u>	<u>22,409</u>	<u>22,442</u>
Ancillary trading costs	0	7	0	7	3
Total Charitable Expenditure	<u>14,784</u>	<u>5,832</u>	<u>1,800</u>	<u>22,416</u>	<u>22,445</u>
Total resources expended	<u>14,784</u>	<u>5,937</u>	<u>1,800</u>	<u>22,521</u>	<u>22,593</u>

(c) Governance costs included in support costs

	2020	2019
	£000	£000
Auditors' remuneration *		
1509 Group and RGS and Lanesborough	44	28
The Royal Guildford Grammar School	0	2
The RGS Guildford International Limited	3	1
The RGS Guildford International (Dubai) Limited	3	1
The RGS Guildford International (China) Limited	2	0
Other services	8	34
Other direct costs	28	214
Trustee's costs **	4	5
	<u>92</u>	<u>285</u>

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to training for Governors (£467), the cost of Governor meetings (£2,456) and subscriptions (£760). There are 20 Governors who are directors of RGS and Lanesborough. There was no Trustee remuneration or expenses during the year.

6. EMPLOYEES

	Teaching £000	Other £000	2020 £000	2019 £000
Wages and salaries	8,843	2,120	10,963	10,956
Social security costs	979	211	1,190	1,145
Pension contributions	1,843	276	2,119	1,729
Other staff costs	376	137	513	479
	<u>12,041</u>	<u>2,744</u>	<u>14,785</u>	<u>14,309</u>

Average number of employees during the year

	2020		2019 (Restated)	
	Full time	Part time	Full time	Part time
Teaching	135	39	135	43
Non Teaching	64	43	60	49
	<u>199</u>	<u>82</u>	<u>195</u>	<u>92</u>

The 2018/19 figures have been restated to reflect average monthly headcount in line with the requirements of FRS102.

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:

	2020	2019
£60,000 - £70,000	27	26
£70,000 - £80,000	5	4
£80,000 - £90,000	2	2
£90,000 - £100,000	0	1
£100,000 - £110,000	2	1
£150,000 - £160,000	1	1
£190,000 - £200,000	0	1
£200,000 - £210,000	1	0
	<u>38</u>	<u>36</u>

Pension contributions of £606,273 (2019 - £405,092) were made into pension schemes in respect of higher paid employees during the year. Of this contributions of £566,748 (2019 - £366,932) were made into a defined benefit pension scheme.

The aggregate employee-benefits of key management personnel including employers' pension contributions and National Insurance (the Senior Management Teams of both schools) totalled £2,132,947 (2019: £2,094,677).

During the year there were no redundancy payments made (2019: £120,000).

7. Tangible fixed assets - Consolidated Only**Cost and depreciation**

	Computer Equipment £000	Freehold land and buildings £000	Leasehold property £000	Fixtures, Fittings and Equipment £000	Total £000
Cost					
At beginning of year	1,453	49,534	2,129	3,533	56,649
Additions	62	109	0	199	370
Disposals	(323)	(71)	0	(15)	(409)
At end of year	<u>1,192</u>	<u>49,572</u>	<u>2,129</u>	<u>3,717</u>	<u>56,610</u>
Depreciation					
At beginning of year	764	10,974	1,095	1,994	14,827
Charge for the year	297	1,077	20	406	1,800
Eliminated on Disposal	(323)	(71)	0	(14)	(408)
At end of year	<u>738</u>	<u>11,980</u>	<u>1,115</u>	<u>2,386</u>	<u>16,219</u>
Net Book Value					
At end of year	<u>454</u>	<u>37,592</u>	<u>1,014</u>	<u>1,331</u>	<u>40,391</u>
At beginning of year	<u>689</u>	<u>38,560</u>	<u>1,034</u>	<u>1,539</u>	<u>41,822</u>

8. Investment assets

Group	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	52	0	52
Additions	0	0	0
Unrealised gains	3	0	3
At end of year - (market value)	55	0	55
Cash at investment managers at beginning of year	0	106	106
Movement in year	0	1	1
At end of year - (market value)	0	107	107
At end of year - (market value)	55	107	162
At beginning of year - (market value)	53	106	158

Investments are held in Common Investment Funds (66% of total) and in cash.

9. Stocks - School and Consolidated

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Catering/cleaning stocks	15	0	14	0
School items for resale	66	0	68	0
Total Stock	81	0	82	0

10. Debtors - School and Consolidated

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Fee debtors	195	0	116	0
Less Provision for bad debts	(75)	0	0	0
Other debtors and prepayments	489	0	797	0
Total Debtors	609	0	913	0

11. Creditors: due within one year

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Bank loan (see below)	1,809	0	2,056	0
Trade and other creditors	716	0	942	0
Obligations under finance leases	8	0	86	0
Other taxes and social security	305	0	21	0
Accruals	360	0	458	3
Acceptance deposits	1,772	0	1,725	0
Fees received in advance	103	0	249	0
Advanced fees (see note 13)	187	0	185	0
Amount owing to RGS and Lanesborough	0	4	0	2
Total Creditors	5,260	4	5,722	5

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2020 have been included within current liabilities. The prior year acceptance deposits balance has been similarly represented.

12. Creditors: due after more than one year - School and Consolidated

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Bank loan (see below)	3,485	0	5,664	0
Obligations under finance leases	3	0	26	0
Acceptance deposits repayable after final term	0	0	0	0
Advanced fees (see note 13)	158	0	171	0
	3,646	0	5,861	0

The bank loans, totalling £5.29m (2019: £7.7m) are secured by charges on the freehold land and buildings of the school. The older loan of £1.65m (2019: £1.8m) was repayable over 25 years commencing September 2003. In August 2018 this loan was reclassified as an overdraft, and included in entirety under Creditors: due within one year. An additional loan dated 23rd August 2017 was drawn down in 2017/18, with a balance at the end of the year of £3.64m (2019 £5.9m). The loan is split between £0.15m (2019: £0.2m) as a Creditor: due within one year and the balance due after more than one year. This loan was arranged to facilitate building works, with a total approved loan of £6m. Repayments started in April 2019 and a lump sum repayment of £2m was made during 2019/20. The final repayment date is September

The bank loans are repayable: - School and Consolidated

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
After 5 years	0	0	0	0
Within 2 to 5 years	3,348	0	5,426	0
Within 1 to 2 years	137	0	238	0
	3,485	0	5,664	0
After more than one year (see note 12)	3,485	0	5,664	0
Within one year (see note 11)	1,809	0	2,056	0
	5,294	0	7,720	0

The finance leases are payable: - School and Consolidated

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
After 5 years	0	0	0	0
Within 1 to 5 years	3	0	26	0
	3	0	26	0
After more than one year (see note 12)	3	0	26	0
Within one year (see note 11)	8	0	86	0
	11	0	113	0

Obligations under finance leases relate to photocopiers purchased for the School.

13. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
After 5 years	0	0	0	0
Within 2 to 5 years	75	0	75	0
Within 1 to 2 years	83	0	96	0
	<hr/>	<hr/>	<hr/>	<hr/>
After more than one year (see note 13)	158	0	171	0
Within one year (see note 12)	187	0	185	0
	<hr/>	<hr/>	<hr/>	<hr/>
	345	0	356	0
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group 2020 £000	Company 2020 £000	Group 2019 £000	Company 2019 £000
Balance at beginning of year	356	0	398	0
New contracts	231	0	137	0
Amounts accrued to contracts	4	0	3	0
	<hr/>	<hr/>	<hr/>	<hr/>
	591	0	538	0
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts utilised:				
In payment of fees	(246)	0	(177)	0
Capital repayments	0	0	(5)	0
	<hr/>	<hr/>	<hr/>	<hr/>
	(246)	0	(182)	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	345	0	356	0
	<hr/>	<hr/>	<hr/>	<hr/>

14. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:

Restricted Funds within the 1509 Group are made up of the income and expenditure associated with the holding of property on behalf of the School, and the charitable deployment of any surpluses.

Restricted Funds within the Foundation are made up of funds held which have been restricted by the donor. When donations are passed to the School the restrictions remain with them.

The Restricted Minor Ad Hoc funds include the OGA Magazine Fund, which is to be used for the production of the Old Guildfordian magazine, which is now under the auspices of the Development and Alumni Relations Office.

Restricted Funds within the School are mainly made up of the Gieve Fund, which is the residue of a bequest held of the general benefit of choristers at Lanesborough School, and the Bursary Fund which receives restricted bursary donations. All restricted bursary receipts during the year are expended in current year bursaries.

Major Unrestricted Funds:

Unrestricted Funds within the 1509 Group are made up of the expenses as the parent company of the School, the management of restricted assets and company administration.

Unrestricted Funds within the Foundation are made up of unrestricted donations and other income received by the Foundation, less purchases made to generate that income.

Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less loans. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the year.

(a) The consolidated net assets at 31st July 2020 are held for the various funds and advanced fees as follows:

	Buildings and Equipment £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Restricted					
The Royal Grammar School, Guildford	0	0	0	0	0
Gieve	0	107	(3)	0	104
Bursaries	0	0	1	0	1
Ad hoc Minor Funds	0	0	105	0	105
Foundation	0	0	410	0	410
Total Restricted Funds (School & Total)	0	107	513	0	620
Unrestricted - designated funds					
Tangible Net Fixed Asset Fund ¹	40,391	0	(1,805)	(3,485)	35,101
Prize	0	55	3	0	58
Ad hoc Minor Funds	0	0	65	0	65
Total Designated Funds (School & Total)	40,391	55	(1,737)	(3,485)	35,224
Unrestricted - Royal Grammar School, Guildford					
General	0	0	10	0	10
Unrestricted - School/Capital Development	0	0	3,770	(161)	3,609
Unrestricted - Pension Fund Liability	0	0	0	(1,822)	(1,822)
Unrestricted - Foundation General	0	0	165	0	165
Unrestricted - International	0	0	178	0	178
Unrestricted - Dubai	0	0	85	0	85
Unrestricted - China	0	0	98	0	98
Total Unrestricted Funds	40,391	55	2,569	(5,468)	37,547
Total Funds	40,391	162	3,082	(5,468)	38,167

¹ The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2019 £000	Investment income £000	Investment gains £000	Transfers/ net Income £000	Grants and allocations £000	Balance at 31 July 2020 £000
1509 Group	0	0	0	0	0	0
Bursary fund	1	0	0	297	(297)	1
Gieve fund	104	0	0	0	0	104
Ad hoc funds	104	0	0	45	(44)	105
Foundation	103	0	0	307	0	410
Total Restricted funds	312	0	0	649	(341)	620

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2019 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Donations £000	Balance at 31 July 2020 £000
Designated funds						
Tangible Net Fixed Asset Fund	34,103	0	0	998	0	35,101
Prize	59	0	0	(1)	0	58
Ad hoc funds	63	0	0	(1)	3	65
Total Designated funds	34,225	0	0	996	3	35,224
Not designated						
School General/Capital Development	3,249	14	3	343	0	3,609
Pension Fund Liability	(500)	0	0	(1,322)	0	(1,822)
Foundation General	189	0	0	(24)	0	165
Trustee General	10	0	0	0	0	10
International	105	0	0	73	0	178
Dubai	103	0	0	(18)	0	85
China	0	0	0	98	0	98
Total Unrestricted Funds	37,381	14	3	146	3	37,547

Comparative Allocation of charity net assets

(a) The comparative consolidated net assets at 31st July 2019 are held for the various funds and advanced fees as follows:

	Buildings and Equipment £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Restricted					
The Royal Grammar School, Guildford	0	0	0	0	0
Gieve	0	106	(1)	0	105
Bursaries	0	0	0	0	0
Ad hoc Minor Funds	0	0	104	0	104
Foundation	0	0	103	0	103
Total Restricted Funds (School & Total)	0	106	206	0	312
Unrestricted - designated funds					
Tangible Net Fixed Asset Fund ¹	41,823	0	(2,056)	(5,664)	34,103
Prize	0	52	7	0	59
Ad hoc Minor Funds	0	0	63	0	63
Total Designated Funds (School & Total)	41,823	52	(1,986)	(5,664)	34,225
Unrestricted - Royal Grammar School, Guildford					
General	0	0	10	0	10
Unrestricted - School/Capital Development	0	0	3,445	(696)	2,750
Unrestricted - Foundation General	0	0	189	0	189
Unrestricted - International	0	0	105	0	105
Unrestricted - Dubai	0	0	103	0	103
Total Unrestricted Funds	41,823	52	1,866	(6,360)	37,382
Total Funds	41,823	158	2,073	(6,360)	37,694

¹ The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

The net current assets/(liabilities) of the funds reflect the following indebtedness between the unrestricted and the restricted funds.

	At 31 July 2019 £000	At 31 July 2018 £000
Current account balances	<u>206</u>	<u>219</u>

The current account balance is interest free and no terms have been agreed for its repayment.

(b) Restricted funds: movements in the year

	Balance at 31 July 2018 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Grants and allocations £000	Balance at 31 July 2019 £000
The Royal Grammar School, Guildford	0	0	0	0	0	0
Bursary fund	1	0	0	211	(212)	0
Gieve fund	104	0	0	0	0	104
Ad hoc funds	117	0	0	0	(13)	105
Foundation	103	0	0	0	0	103
Total Restricted funds	<u>325</u>	<u>0</u>	<u>0</u>	<u>211</u>	<u>(225)</u>	<u>312</u>

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2018 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Donations £000	Balance at 31 July 2019 £000
Designated funds						
Tangible Net Fixed Asset Fund	35,930	0	0	(1,827)	0	34,103
Prize	59	1	0	(1)	0	59
Ad hoc funds	56	0	0	0	7	63
Total Designated funds	<u>36,045</u>	<u>1</u>	<u>0</u>	<u>(1,828)</u>	<u>7</u>	<u>34,225</u>
Not designated						
School General/Capital Development	0	15	0	2,734	0	2,749
Foundation General	158	0	0	31	0	189
Trustee General	12	0	0	(2)	0	10
International	94	0	0	11	0	105
Dubai	0	0	0	103	0	103
Total Unrestricted Funds	<u>36,309</u>	<u>16</u>	<u>0</u>	<u>1,049</u>	<u>7</u>	<u>37,382</u>

(d) Transfers between funds

(d) Transfers between funds		Unrestricted Funds		Restricted Funds
		General £000	Designated £000	Restricted £000
i.		(1,122)	998	124
		<u>(1,122)</u>	<u>998</u>	<u>124</u>
i.	Transfer of general reserves to Designated Tangible Net Asset Fund			

15. Operating Leases

As at 31st July 2020, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	2020 £000	2019 £000
Under 1 year	124	124
More than 1 year and less than 5 years	176	176
Greater than 5 years	0	0
	300	300

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2020 were £124,200 (2019 - £124,200).

16. Capital Commitments

At 31st July 2020 capital works authorised but not provided for in these Accounts amounted to approximately £0 (2019 - £0).

17. Pension Obligations

The School operates four pension schemes:

a. A defined benefit scheme for teaching staff, the Teachers' Pension Scheme (England and Wales) ("the TPS"), which is administered by the Department for Education and Skills.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pensions Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in April 2019, confirmed that the employer contribution rate for the TPS will increase from 16.4% to 23.6% from 1 September 2019.

Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%, increasing to This employer rate will be payable until the outcome of the next actuarial valuation, which will be based on data as at 31 March 2020 and implemented in April 2023.

The pension charge for the year includes contributions payable to the TPS of £1,843,181 (2018/2019 - £1,281,940). At the year end £0 (2018/2019 - £0) was accrued in respect of contributions to this scheme.

with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. The scheme is valued every three years by a professionally qualified actuary using the projected unit actuarial method, the rates of contribution payable being determined by the actuary. Because the scheme is now closed to new entrants within the School the current service cost will increase as members of the scheme approach retirement. The latest FRS 102 valuation was based on the formal assessment at 31 March 2019 projecting the results of that valuation forward to 31st July 2020 using approximate methods. The scheme was closed to new entrants in 2006.

Rates of contribution have been set to meet 100% of the liabilities arising in respect of service after the valuation date over the average expected future membership period of the active members pertaining to each employer to reflect the shortfall of the value of each participating employer's notional share of the fund's assets compared with 100% of its accrued liabilities allowing, in the case of members in service, for further pay increases. Additional charges arose from April 2011 to cover part of the deficit and the employer contribution rate has also increased from this time. The charge for the year was £58,938 (2018/19 - £132,846). At the year end £0 (2018/19 - £0) was accrued in respect of contributions to this scheme. From August 2017 additional annual contributions decreased to £37,172 per annum, with employer contributions levied at 32.6%. From April 2020 the additional annual contributions increased to £114,000 per annum, with employer contributions levied at 43.6%. Employee rates vary between 5.5% and 8.5%.

As required by FRS 102 provision has been made in the financial statements to incorporate the school's portion of the deficit attributed to it.

	2020 £000	2019 £000
i) Amounts recognised in the balance sheet are as follows:		
Present value of obligations	7,572	6,788
Fair value of plan assets	5,750	6,288
Net liability	<u>(1,822)</u>	<u>(500)</u>
ii) Changes in the present value of the scheme obligations:	2020 £000	2019 £000
Opening defined benefit obligation	6,788	6,203
Service cost	114	185
Interest cost	142	168
Employee contributions	11	28
Actuarial loss (excluding assets)	737	390
Benefits paid	(220)	(186)
Defined benefit obligations at the end of the year	<u>7,572</u>	<u>6,788</u>
iii) Changes in the fair value of the scheme assets are as follows:	2020 £000	2019 £000
Opening fair value of scheme assets	6,288	5,953
Expected return	131	161
Actuarial (loss)/gain	(580)	164
Employer contributions	120	168
Employee contributions	11	28
Benefits paid	(220)	(186)
Fair value of scheme assets at the end of the year	<u>5,750</u>	<u>6,288</u>
iv) The amounts included in the Statement of Financial Activities are as follows:	2020 £000	2019 £000
Expected return on scheme assets	(131)	(161)
Interest on pension liabilities	142	168
Current service cost	114	185
Total Amount Charged to the Statement of Financial Activities	<u>125</u>	<u>192</u>
Net actuarial (losses) recognised in the year	(1,317)	(226)
Net cumulative actuarial (losses)/gains	<u>(1,224)</u>	<u>93</u>
The School expects to contribute £128,000 to the scheme in 2020/21		
v) Reconciliation of movements in Present Value of Plan Liabilities and Assets	2019 £000	2018 £000
Net liability at 1st August 2019	500	250
Movements in the year:		
Employer's current service cost	114	185
Employer's contribution	(120)	(168)
Expected return on plan assets	(131)	(161)
Actuarial return less expected return on plan assets	580	(164)
Interest on pension liabilities	142	168
Changes in assumptions underlying the plan liabilities	737	390
Net liability at 31st July 2020	<u>1,822</u>	<u>500</u>

vi) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020	2019
	%	%
Equities	71	72
Fixed Interest	18	17
Cash and Other	8	3
Property	3	8

The overall expected rate of return on the scheme assets is determined by reference to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

	2020	2019
	£000	£000
Expected return on the scheme assets in the year	131	161

vi) Principal assumptions at the balance sheet date (expressed as weighted averages):

	2020	2019
	%	%
CPI	2.2	2.5
Discount rate	1.3	2.1
Rate of increase in salaries	3.1	2.8
Expected return on scheme assets at 31st July	2.3	2.3
Assumed life expectations on retirement at age 65:		
Retiring today - males	22.1	21.6
Retiring today - females	24.3	23.6
Retiring in 20 years - males	22.9	22.5
Retiring in 20 years - females	25.7	25.0

c. A defined contribution scheme for non-teaching staff appointed in recent years - the Prudential TUC Stakeholder Pension Scheme. The assets for the Scheme are held separately from those of the School. The charge for the year was £56,015 (2018/19 - £57,833). At the year end £0 (2018/19 - £0) was accrued in respect of contributions to this scheme. The scheme is now closed to new entrants as it does not fulfil auto enrolment requirements.

d. A new defined contribution scheme for non-teaching staff in line with auto enrolment guidance issued by the Pensions Regulator - the Standard Life Pension Scheme. The assets for the Scheme are held separately from those of the School, and are managed by a multi asset investing team. The charge for the year was £181,923 (2018/19 - £103,640). At the year end £0 (2018/19 - £0) was accrued in respect of contributions to this scheme.

18. Analysis of Net Funds/(Debt)

	As at 31 July 2019 £000	Cash Flow £000	As at 31 July 2020 £000
Net cash balances	6,801	851	7,652
Creditors: due within one year			
Finance leases	86	(78)	8
Loans	(2,056)	247	(1,809)
Advance Fee agreements	(185)	(2)	(187)
Creditors: due after more than one year			
Finance leases	(26)	23	(3)
Loans	(5,664)	2,179	(3,485)
Advance Fee agreements	(171)	13	(158)
	(1,215)	3,233	2,018

19. Related party transactions

1509 Group is the parent undertaking of RGS and Lanesborough, charity number 1177353, company number 10874615 and also of the Foundation (The Royal Grammar School, Guildford Foundation), charity number 1089955, company number 4232306, and is the ultimate parent company of the group. The RGS Guildford International Ltd, company number 09633181, is also a subsidiary of the 1509 Group as is RGS Guildford International (Dubai) Limited, company number 11422203 and RGS Guildford International (China) Limited, company number 12104738.

Neither 1509 Group nor persons connected with it received any remuneration or other benefits from the School or any connected organisation. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman of Governors. 1509 Group claimed no expenses relating to the administration of the Charity.

During the year RGS and Lanesborough School charged the RGS Guildford International Ltd £91,499 (2019 - £44,850) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £104,522 (2019 - £91,756)

During the year RGS and Lanesborough School charged the RGS Guildford International (Dubai) Ltd £91,699 (2019 - £89,701) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £95,498 (2019 - £176,187)

During the year RGS and Lanesborough School charged the RGS Guildford International (China) Ltd £91,499 relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £95,284.

The Foundation transferred £309,750 of donations to the school for the year (2019: £192,900). The Foundation's costs of £239,786 (2019: £252,018), for both fundraising and alumni work were covered by the School during the year. At the end of the year the Foundation owed the School £48,363 (2019: Foundation owed the School £5,825). The School made a transfer to the Foundation of £55,000 in 2020 (2019: £0) for the Foundation's Enduring Bursary Fund.

The Directors of 1509 Group donated £2,100 (2019: £3,387) - (excluding gift aid) to the Foundation during the year.

20. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31st July 2019	Unrestricted		Restricted	Funds Total
	General £000	Designated £000	£000	£000
Income from Charitable Activities				
School Fees	21,523	0	0	21,523
Other educational income	1,520	0	0	1,520
Other ancillary trading income	495	0	0	495
Incoming Resources from Generated Funds				
Donations and Legacies				
Donations and legacies	0	7	212	219
Investments				
Income from Investments	15	1	0	16
Other Income	104	0	0	104
Total Income	23,657	8	212	23,877
Expenditure on Raising Funds				
Fundraising Costs	148	0	0	148
Expenditure on Charitable activities				
Schools and grantmaking	22,217	0	225	22,442
Ancillary Trading	3	0	0	3
Total Expenditure	22,368	0	225	22,593
NET INCOMING FUNDS FROM OPERATIONS BEFORE INVESTMENT GAINS	1,289	8	(13)	1,285
Net gains/(losses) on investments	0	0	0	0
NET INCOME/(EXPENDITURE)	1,289	8	(13)	1,285
Transfers between funds	0	0	0	0
Actuarial gain on Defined Benefit Pension Scheme	(226)	0	0	(226)
NET MOVEMENT IN FUNDS FOR THE YEAR	1,063	8	(13)	1,059
Fund balances at 1 August 2018	264	36,046	325	36,634
FUND BALANCES at 31 July 2019	1,327	36,054	312	37,693