

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2023

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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Reference and administrative details

Year ended 31 July 2023

Governors	J S Berry, Co-opted Governor R H Fell, Co-opted Governor A C Fletcher, Co-opted Governor (Chair) S A Green, Co-opted Governor A Gupta, Co-opted Governor (resigned 25 November 2022) M Hannifa, Co-opted Governor A H Lamb, Co-opted Governor (resigned 16 June 2023) N J McMinn, Co-opted Governor S Milligan, Co-opted Governor A P Murphy, Co-opted Governor (resigned 16 June 2023) M D Robinson, Co-opted Governor C Stonehouse, Co-opted Governor (resigned 16 June 2023) T N Thorne, Nominated by Northumberland County Council S Woodroffe, Co-opted Governor J Fitzpatrick, Co-opted Governor (appointed 20 December 2022) R S Sanghera, Co-opted Governor (appointed 20 December 2022)
Company registered number	05664801
Charity registered number	1114424
Registered office	Eskdale Terrace Newcastle upon Tyne NE2 4DX
Company secretary	C F Black
Headmaster	G Stanford
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Barclays Bank PLC PO Box 379 71 Grey Street Newcastle upon Tyne NE99 1JA National Westminster Bank plc 2nd Floor 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF

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Reference and administrative details (continued)

Year ended 31 July 2023

Investment advisors CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Insurance broker Zurich Municipal
Zurich House
2 Gladiator Way
Farnborough
GU14 6GB

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Governors' report Year ended 31 July 2023

The governors present their annual report together with the audited financial statements for the year 1 August 2022 to 31 July 2023. The annual report serves the purposes of both a governors' report and a directors' report under company law. The governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

AIMS AND OBJECTIVES

Charitable Objectives

The charitable objectives of The Newcastle upon Tyne Royal Grammar School (RGS) are set out in the school's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England; and
- Facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Purpose, Vision and Values

RGS remains connected to the purpose for which we were established and has a very clear vision as to what we wish to achieve:

- We believe in inspiring young people and equipping them to make a positive contribution to society; and
- The RGS as a school should promote excellence and is committed to raising aspiration and attainment across the North East.

Our values run through everything we do to deliver the above vision, in our work both within our school and outside in the wider community. Like fingerprints, our values are invisible but indelibly cover everything we do, they are integral to our prioritisation of activities both in the school and our work in the broader community, and are explicit in the standards and behaviour we expect of our students and staff:

- **Belief In Each Other** is the value of trust. When self-belief seems in short supply, we understand how believing in others can bolster confidence, make someone glow and foster their faith in themselves once again. Belief can break all sorts of ceilings and there are no limits to what can be achieved with tenacity, sheer graft and people you trust at your back. We celebrate everyone's achievements and allow ourselves to be guided by those we believe in. We catch when others fall but most importantly, we help them get back up again. Pastoral care and wellbeing is at the heart of this value. We work hard and believe that others will do the same.
- **Love for Learning** seems self-evident in a school built on RGS's formidable academic reputation. We communicate unashamedly how passionate we are, we encourage everyone to enjoy school and believe that a positive approach each day can bring out the best in every learner. Teaching happens in the most surprising and diverse ways and the best learning often happens by stealth, when it is least expected, in the nooks and crannies of the curriculum. The thirst for knowledge and freedom to explore can help that love of learning grow. We support self-expression, critical thinking and creativity in both teaching and learning – for academic success but also to enable people to be their best selves.

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Governors' report (continued) Year ended 31 July 2023

- We value a **Sense of Belonging**, combining our kinship with each other in the school community with our heritage on Newcastle soil, where we took root five hundred years ago. We are place and people. We respect those around us, are openminded and non-judgemental. Everyone belongs. We are northern, where clanship is strong and bonds forged last a lifetime but we are of the global age. Borders and boundaries are transcended as the RGS family connects like other families spread across the world. We rest in the heart of our Tyneside community, where our Partnership work sees us collaborate within the wider educational and social landscape. Unity with our neighbours means an increased sense of belonging: we want to nurture good citizens: part of a network of people who strive for the greater good.
- **Ambition to Succeed** is to push forwards, move and innovate. It might be our final value but it doesn't act as a full stop. This is the thread that ties our other values together. We must never stand still, unless it is to reflect on what we have done and how we might do it differently next time. We have the intellectual freedom to explore and take risks – so we can push boundaries in and out of the classroom. We have a strong support network, both internally and externally, which helps us to change, adapt and respond together. We are constantly evolving and are ambitious for the future – because it is our future and we are excited by its opportunities. We recognise that success looks different for each individual, but whatever it looks like, we hope everyone in our community can strive to challenge themselves. We can be brave with academic content and co-curricular opportunities, encouraging that first small spark of ambition to flare. Conventional, eccentric, classic, left-field, surprising and delightful, we celebrate ambition in all its forms.

Our Public Benefit

RGS is driven by the social impact we can make, not only to the trajectory of the lives of students who attend our school, but also to our broader community and wider society.

Founded almost 500 years ago during Henry VIII's reign, Thomas Horsley, five time mayor of Newcastle, endowed RGS as the City's first school; that early philanthropic gift and social vision has been a constant throughout our almost half a millennium of existence. Our social responsibility remains at the forefront of our minds and is central to our future endeavours.

We believe that RGS is uniquely placed to stretch and challenge bright young people and consequently we have a well-deserved reputation for academic excellence, consistently outstripping national averages. Our students deliver phenomenal, nationally and internationally recognised achievements, with RGS often cited as an asset when encouraging inward investment to the North East. However, we are an exceptional school in a relatively deprived area of the UK. While we are convinced of the infinite potential of young people from the North East, the social mobility statistics in our region are some of the worst in the country and the challenges have been compounded by the pandemic. Too many children are missing opportunities afforded to others born elsewhere.

We believe that our model of a highly academic education ought to be available to *any* child who is intellectually curious, able and aspiring, and who would benefit from a fast paced and challenging curriculum through 1. RGS School, 2. RGS Bursaries and 3. RGS Partnerships.

The Governors have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits that our activities bring, to both pupils and the wider community.

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Governors' report (continued) Year ended 31 July 2023

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND ACTIVITIES

1. **RGS School** delivers our core educational activities. Pupil numbers at our Senior school increased to 1,073 (2022: 1,071) and the number of pupils at our Junior school returned to 270 (2022: 275). Our fees for the current year were:

Junior School - £12,947 per year

Senior School - £15,369 per year

RGS SCHOOL ACHIEVEMENTS

1,343 students attended RGS, which would have otherwise cost the taxpayer an annual **£9m** if educated in the state system.

In GCSEs, **85.2%** of grades achieved were A*-A (grades 9-7) and 40.9% were grade 9.

In A Level, 89.0% of grades achieved were A*-B and **70.8%** were A*-A.

Over **4,000** hours of volunteering were delivered by RGS students.

14 members of RGS staff are Governors at local schools and **2** are in Director/Trustee positions.

RGS students and staff ran more than 50 partnership projects in over 100 schools, regularly engaging with over 10,000 students and supporting more than 700 teachers.

In addition, RGS school buildings and facilities were accessed regularly by various local community groups and organisations for their events and activities.

RGS SCHOOL ACTIVITIES

Operations

This academic year was a year of moving back towards the normal rhythm of school life, without the complications of Covid-19. We commenced the first stage of our digital roll out, putting devices in the hands of all Senior School students in Years 7, 9, 10 and 12 as well as a 2:1 ratio of devices in our Junior School. This brought with it new challenges with teaching staff continuing to extend the digital learning experienced by our students. Events were able to be held in person although we continue to use the learnings from Covid-19 to use different mediums of communications to suit our community with the ability to have some parent conferences online and to live-stream performances and other events. We were also delighted to recommence the trips programme in earnest with students across the School enjoying enrichment activities away from the main school site.

Whilst the previous academic year closed with a celebration for Queen Elizabeth II's Platinum Jubilee, this academic year started with a more sombre note as we marked the passing of Queen Elizabeth II. This was particularly significant given our Royal Charter had been granted to the school in 1600 by Queen Elizabeth I and we marked the event by the commissioning of a new stained glass panel which is now on display in the school library. Fittingly, towards the end of the academic year we came together again as a community to celebrate the coronation of King Charles III.

Academic

In December 2022, RGS was again recognised as The Sunday Times' North East Independent School of the Year for Academic Performance, reflecting our outstanding 2021-22 public exam results. This exam success continued in the outstanding results achieved for both A-Level and GCSEs that our students sat in the Summer

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of 2023. Despite the turbulent few years this generation of students have experienced, which included our A-Level students missing out on sitting GCSE exams, we were delighted that 22 students achieved all A* grades with 98 achieving all A* or A grades. In particular, Extended Project Qualification results further reflect the value the school provides beyond the main curriculum, with 68 students completing an EPQ, of which 72.1% were graded at A* or A. As with A-Levels, GCSE grade boundaries were adjusted for the 2023 Summer exams to align with pre-pandemic years – despite this adjustment our students surpassed the 2019 (last comparable year) performance and achieved 85.2% grades of 7-9 (A* to A) with 40.9% at grade 9, the highest possible grade. 13 students attained grade 9 in all subjects and 55 of the cohort achieved in 11 GCSEs. Collectively the students achieved 1,429 GCSE qualifications, from the 21 different GCSE subject options available at RGS.

In Junior School the children continue to perform at or beyond age related expectations in Maths and English and in most cases significantly so. The average academic profile in Junior School is that of a child performing in reading and spelling at least 1 year beyond their chronological age.

Following the semi-retirement of Roger Loxley, after 19 years as Deputy Head (Academic), we welcomed Chris Quayle into the role and he commenced his role in September 2022. This coincided with the first year of the roll out of digital devices to students in Senior School and the increased use of technology in the classroom. The second phase of this roll out is planned for September 2023 and at that stage every student in Senior School will be issued with a device to enhance their learning experience.

Outside of the core curriculum, RGS continued to prioritise enquiry-based learning with Y7 students making rocket cars and Y8 students engaging with their sustainable goals project, in both cases producing some creative and imaginative outcomes. Y9 participated in an essay writing competition, securing a number of national winning entries and Y12 students completed a broad range of Extended Project Qualifications (EPQs) demonstrating an extraordinary level of intellectual curiosity and academic achievement. Our Sixth Form Professional Class Team, "Frontier", won a range of awards at the F1 in Schools HQ competition – including first place overall. Our Year 9 Development Team, "Photon Racing", came second in their age category. 34 pupils competed in the Cyber Centurion competition, with 188 taking part in the University of Oxford Computing Challenge (having already placed within the top 10% nationally in the previous Bebras competition). 95 entries were made by RGS students for Durham County Council's International team language event. In Art, students entered the "Art Bytes" national competition, with students winning both "special" awards and overall year group categories. Adjudicators praised the innovative and fresh artwork which reflected strong contemporary ideas.

Co-curricular

Following on from the previous year, the academic year 2022-23 was very much a return to business as usual with a year full of co-curricular opportunities for our students, both on and off site. This was also the first full year in post for Andrew McBride in the newly created role of Deputy Head (Co-Curriculum).

In Junior School, the Year 6 students enjoyed their end of Junior School trip to London where they explored the city's iconic landmarks of Buckingham Palace, Big Ben and Trafalgar Square before experiencing an evening trip to the theatre and then finishing the two day, whistle-stop tour with a river cruise and visit to Madame Tussauds. They then returned to School to deliver a spectacular production of Frozen Junior where the dedication of children teachers and parents alike was evident with the confident and poised performance that the packed theatre enjoyed. Elsewhere in Junior School, students were all given the opportunity to enjoy residential trips in the great outdoors across Northumberland and the Lake District where they experienced a variety of activities from cooking and sleeping outside, fire making, archery, kayaking and much more. These trips, whilst fun, develop many skills in our students such as resilience and teamwork. Students from year 3 up to year 6 are also given multiple opportunities to perform on stage with The Spring Concert, House Music and House Dance – all incredible moments that allow children to develop their confidence to perform and the belief in themselves. It is also deliberately made into a mistake friendly environment which allows children to give their best effort knowing that both success and failure are equally valuable.

In the Senior School, once again the year was packed with co-curricular activities. Performing arts events included a "Night at the Musicals", as well as performances of The Lion, the Witch and the Wardrobe (Years 7/8) an ambitious production of A Monster Calls (Years 9/10) and a Jacobean play Revengers Tragedy (Years 11-13)

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giving students of all ages an opportunity to test their acting skills and perform in the Miller Theatre. There continued to be a plethora of musical opportunities for students with more informal half termly recitals and "Agora Gigs" as well as our more traditional concerts such as the Spring Concert which involved almost 150 performers and the Choir and Orchestra concert which celebrated 100 years of the School's organ. The now traditional "singing Christmas Card" video production was particularly poignant this year as the community looked back at memories of the past, this again united our entire community.

On a sporting note, our senior netball, hockey and rugby teams had an inspirational two-week tour to South Africa, playing competitive matches as well as taking part in a number of activities such as climbing Table Mountain and, perhaps most humbling, being able to visit the Afrika Tikken Learning Community Centre where RGS sponsor a classroom. There was both broad participation, with 89% of the student body taking part in fixtures, and the highest level of performance across a wide range of sports which this year also included our first ever Girl's Rugby fixture as well as significantly increased participation in Girls Football and Girls Cricket this year. RGS teams reached national finals in netball, gymnastics and cross country, in some cases with several teams at different age groups. The Senior Girls' hockey team reached the last eight in the national Tier 1 competition and the boys Rugby Team reached the Quarter Finals of the NatWest trophy. There was a broad range of both collective and individual success in a wide range of other sports.

Other major school activities which brought the community together were our RGS Winter Wonderland and Art of Hope exhibition and auction, where over 300 students, from year 6 and above, produced artwork, which were auctioned, raising over £10k for three student selected charities. Students raised over £4,000 for the humanitarian appeal following the earthquake in Turkey and Syria, and over £2,000 for local homeless charity Depaul UK through a variety of activities. Children in Need raised just under £3,000, and donations were collected during musical performances throughout the year. Students organised a successful Easter Egg collection for Feeding Families, on top of our now annual Christmas food appeal, which has become a significant part of the charity's planning and makes a tangible difference to families across the North East. Voluntary Service remained high profile in the school, with RGS school students giving an over 4,000 hours of time to local causes. The Junior School supported a number of charitable events in the year and raised over £2,700 for national appeals such as Children in Need and entered a large number of families into the Cancer Run. Money was raised for the Food Bank and a selection of Y6 children visited the supermarket to spend the money and deliver the goods to the Food Bank in order to enhance their understanding of shopping to a budget and the very real need there is within the city. The Junior School Parent Team raises money for our bursary scheme and for a charity voted for each year by the students and all students were invited to nominate a charity close to them with a small number then selected to present in the Charity Dragon's Den Assembly. After the presentations the whole student body voted for their favourite charity and the 2023 recipient of £1,000 was the Children's Heart Unit Fund.

Outside of sport and music, our co-curricular programme continues to thrive with success for our students in F1 in Schools with our Sixth Form team winning Best Engineered Car, Fastest Car, the Sponsorship and Marketing Award and First Overall – winning them a place at the Nationals. The Year 9 Development Team also won Fastest Car and Second overall, also winning them a place at the Nationals. Students also competed throughout the year in numerous STEM competitions such as VEX Robotics, First Lego League, Scalextric, Coding, Computer Science and E-Sport and continue to perform at the highest level both regionally and nationally.

Various residential trips took place, including the Year 7 trip to the Lake District which included a night in a bivouac sleeping under the stars; Duke of Edinburgh (DofE) expeditions continued to be popular and the Combined Cadet Force (CCF) continued to thrive with the biggest ever cohort of over 200 students participating as well as being the only school based CCF to be involved in the Remembrance Service in London in November 2022.

Pastoral

In such an ambitious and high performing school, supporting the wellbeing of our staff and students is always a priority and this year we were delighted to receive an award for promoting emotional wellbeing and positive mental health throughout our community. Our pastoral team has been working hard for the past two years across both our Junior and Senior schools to embed this as an integral part of RGS culture.

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EDI remains a School priority and work has continued in the year to ensure we remain an inclusive community that celebrates our diversity. Activities in the year have included, for example, our continued work with Bold Voices and developing our peer support network with Bold Voices Ambassadors and Well Being Prefects.

We also restructured and relocated our SEND provision, appointing a qualified SENDCO and giving the Learning Support team a new purpose designed base in the heart of the school.

2. **RGS Bursaries** open access to our school for children who could not otherwise attend, which creates deep and generational impact for both bursary children and their families.

RGS BURSARIES ACHIEVEMENTS

83 (1 in 16) students at RGS attended on transformational means-tested RGS Bursaries.

21 new bursary students joined in September 2022

14 new bursary students will join in September 2023 (taking total bursary students to 86).

440 bursary students have been supported since RGS Bursaries were established in 2002, collectively attending for the equivalent of **1,855** teaching years.

RGS BURSARIES ACTIVITIES

The RGS remains committed to welcoming students from a wide range of backgrounds, increasing access to the opportunities it provides for boys and girls from those families whose circumstances means they are unable to afford school fees. We are indebted to a broad range of donors for their support and are especially grateful to the parents of existing and former RGS students, and Old Novocastrians, who have personally supported this important element of RGS's work, and have seen first-hand how the bursary programme can change the trajectory of the beneficiaries lives.

RGS Bursaries are strictly means tested and the average award is **94.6%** of fees, in line with our commitment to target our finite funds at students with proven academic ability from families in the most financial need.

RGS Bursaries are highly sought after, and the competition for the limited places is fierce. In addition to the academic assessments and a comprehensive financial review, the Head of Bursary support conducts home visits before the bursary assessment team convenes to make recommendations regarding the allocation of Bursary places. The school continues to observe a significant increase in bursary applications, reflecting the growing awareness of this life changing opportunity. The responsibilities of the Head of Bursary support have been expanded to establish meaningful links with our bursary applicants and offer ongoing support throughout their time studying at RGS. This role compliments the standard pastoral support available to all students.

The status of our bursary students' funding is confidential unless they otherwise choose to disclose to their peers; a growing number of Sixth Form bursary holders have been very open, considering their bursary a 'badge of honour'. Anonymous or not, the bursary students search out every possible opportunity available during their time here, and each term it is a delight to see them winning national competitions, Chiring school clubs and societies, leading drama productions and musical ensembles as well as excelling in sports. They contribute greatly to the school and our community flourishes from the broad perspectives that can only come from a socially diverse student body.

We are extremely particularly proud of the twelve year 13 means-tested bursary holders, who this year collectively secured 60 A Levels across 16 different subjects. Four of these students secured all A*-As.

Our long-term vision is for the RGS student population to reflect the social diversity of the City of Newcastle. We aspire to offer an increasing number of individuals in our region the option of a highly academic education, irrespective of the applicants' background.

We believe that if we were a needs blind school, selecting students only on their academic merit, up to 25% of our school population could be eligible for a mean-tested bursary, based on the proportion of people

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experiencing significant economic challenges in the North East. To that end, we have consciously invested in expanding our Development team with a view to increasing the funding available both for Bursaries and for our wider partnership work.

The School benefits from its active engagement with its alumni, who provide a significant contribution to bursaries, through the Old Novocastrians Association (ONA). The ONA magazine reaches a large number of former students and this year's edition focused on Computer Science at the RGS and included an interview with former student Jim Ryan, now President and Chief Executive of Sony Interactive Entertainment, who came and spoke to pupils at the school. This year the school proudly partnered with the North East Chamber of Commerce to host the inaugural President's supper in our main hall, with the active participation of students, including many bursary recipients where another ON, Leo Pearlman, the Managing Partner of Fulwell 73 spoke about his ambition to build a film studio creating over 8,000 jobs in Sunderland. The RGS Garden party also proved to be a vibrant evening filled with joy and dancing, generating funds and further increasing the awareness of our Bursary campaign.

3. **RGS Partnerships** encompass genuinely equal collaboration with state schools, to deliver broad impact to bright, capable children from across the entire North East region.

RGS PARTNERSHIPS ACHIEVEMENTS

4 RGS teachers are *dedicated* to RGS Partnerships work, with countless more RGS teachers supporting outreach activities.

In 2022-23, over **10,000** individual students in local state schools benefitted from RGS Partnerships activities, for a total **26,500** hours.

105 different schools across the region were involved in RGS Partnerships activities.

More than **750** teachers received **1,500** hours of CPD or collaborated on curriculum development.

Over **50** RGS Partnerships projects have taken place, including STEAM, Sport, Languages, Classics, Debating, UCAS Mentoring and much more.

RGS PARTNERSHIPS ACTIVITIES

RGS Partnerships continued to develop in school year 2022-23. The number of teachers and students that RGS Partnerships impacted beyond the RGS school gates grew significantly and behind these numbers there are so many inspiring stories, innovative and collaborative initiatives, as well as relationships that have developed.

Resourcing

Fundamental to the delivery of our RGS Partnerships projects are our dedicated staff in the form of a Director of Partnerships and three dedicated Partnerships Teachers, one specialist in Maths, one Physics and one in Robotics (encompassing EDT and aspects of Computer Science) respectively. Maths and Physics work is funded by the Reece Foundation, with Robotics funded by British Engines. In addition to this dedicated RGS Partnerships resource, RGS teachers and support staff from across the school gave time to support our diverse and innovative range of projects.

RGS Partnerships with state schools are genuinely collaborative and mutually beneficial; we believe that when passionate colleagues from all kinds of schools and organisations work together towards the twin goals of raising attainment and access to opportunity, amazing things can happen.

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Projects

Our range of projects have developed following open dialogue with partner schools and a range of pilots, the learnings from which, have shaped our focus. Given that we work with schools from Berwick to Middlesbrough, and everywhere in between, the geographical location and catchment area of partner schools also greatly influence their needs; as such, the context in each partner school directly affects the ways in which we will work together. This discussion is often formalised with a memorandum of understanding, confirming each party's commitment.

Maths specific projects have included:

- 930 students benefitted from Maths Partnerships activities [from at least 48 schools].
- 3,555 student-hours of teaching, of which 77% were recurring [weekly / fortnightly / half-termly].
- ... with approximately 56% girls and 44% boys.
- Furthermore, 17 teachers were involved in Maths CPD.

Individual Projects

- **Stretch and Challenge** – At a secondary school in West Newcastle, we have worked on a weekly basis with students in Y9, Y10 and Y11 through taught lessons and enrichment activities.
 - 20 students from Y10 and Y11 attended lessons regularly and have been able to access the content necessary to achieve Grades 7-9.
 - 12 students from Y9 have enjoyed weekly enrichment sessions to improve their mathematical problem solving skills.
 - We have begun running enrichment sessions for a small number of Y7 and Y8 students, with a view to expanding involvement from September 2023.
 - **Access to Further Maths GCSE** – In partnership with Westfield School, we continue to run a **weekly virtual course** alongside the in-person model. We teach the same course in person at an Academy in Sunderland to students in Y9 and Y10.
 - Around 70 students in Y11 have taken the FM GCSE exams in summer 2023 who would not have been able to access the qualification in their own school.
 - **Enrichment and Support** – We continue to run a weekly enrichment club at a local technical college, attended by students in Y10 and Y11. We have also offered regular support sessions for students taking Further Maths GCSE and Further Maths A Level.
 - **University Admission Test Preparation** – We continue to work with the Advanced Mathematics Support Programme (AMSP) to offer weekly problem solving sessions for Year 12 students alongside AMSP's existing programme for Year 13 students preparing to take university admissions tests in Maths.
 - Of the 21 extra students who took part in Year 12 sessions last year, 6 continued to take part in the Autumn Term 2022 course (along with around 20 new Year 13 students), and 1 took part in the Spring/Summer 2023 course after receiving an offer to study Mathematics at Cambridge University.
 - 31 Year 12 students took part in the Autumn Term 2022 course, and 26 in the Spring/Summer 2023 course.
 - **'Bright Sparks' Stretch and Challenge** – We run half-termly events for more able Y9 and Y10 students to explore **Maths topics beyond the syllabus**.
 - **14 schools** have taken part this year, averaging **60 students from 7 schools** at each event.
 - The addition of Y10 events has created a 'talent pipeline' towards the Further Maths GCSE courses, ultimately giving students the confidence and skills to access Maths and Further Maths A-Levels.
 - Feedback is collated at events and has been hugely positive and useful in shaping future events.
 - This year the events have been oversubscribed and we expect similar levels of interest next year. If numbers are high enough, we will aim to run duplicate sessions.
 - In November 2023 we will also be running a new Bright Sparks event for Year 12 and Year 13 Students.
-

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- **Primary School Workshops** – We have been creating workshops to deliver to Year 6 students at their schools to explore **Maths topics beyond the syllabus**.
- A workshop on Codes and Ciphers will be piloted with three primary schools in July 2023, and we will extend the offer to other primary schools in 2024.
- Further workshops are also in development to be piloted next year.
- The workshops have the potential to be developed into Year 6 'Bright Sparks' sessions in future but we are keen to work with as many Year 6 students as possible to encourage **enjoyment of mathematics**.
- **A Level Maths Revision Sessions** – We have run regular revision sessions for A-Level Maths at a local college.
 - Students who attended the sessions found them very beneficial to develop understanding and retention of the topics covered.
 - This year we were only able to offer a few sessions, but we hope to increase this in future to a wider range of students.
- **STEM Learning CPD** – We have been building a relationship with STEM Learning to increase our CPD offering.
- In June 2023, we ran a STEM Learning course on Maths for A-Level Chemistry, alongside an experienced member of the STEM Learning Chemistry team.
- Feedback has been overwhelmingly positive.

Physics specific projects:

In Autumn 2022, our Physics Partnerships Teacher received a national Physics Teacher Award from the Institute of Physics for his work both in RGS and in the community: the first time a North-East teacher has achieved this accolade in the past decade.

His work has ranged from academic intervention to CPD-related 'shared' or lead sessions to extra-curricular and super-curricular projects.

- **Headlines**
 - 3,903.5 student hours (that is number of students x number of hours).
 - there were 52 teacher hours of CPD, curriculum development and joint-planning;
 - 5 secondary schools involved on a weekly/fortnightly basis on student-focused sessions; and
 - 4 secondaries involved on an irregular or ad hoc basis, and 8 primaries.
 - At a secondary school in West Newcastle, we worked with intervention groups at GCSE level.
 - At a local technical college, we worked with an intervention group of Year 13 pupils, all of whom aspiring to outcomes above their mock 1 achievement grades. Mock 2 results were far improved, with all achieving above their mock 1 grade and the majority in line or above their target grades. The teacher (a non-specialist) remarked how much more motivated the students were towards independent work and revision after these sessions had begun.
 - There has been large demand for our Curriculum Development and 'Upskilling non-specialists' strand of work.
 - At Primary Level, we have worked with a range of schools to upskill their Science Leads through Curriculum Design, exemplar delivery of sessions with children, and advisory support.
 - A joint, cross school, GCSE masterclass was designed and delivered in conjunction with a non-specialist Physics Teacher locally, where we hosted 24 students and undertook activities and exemplar work aimed at scoring grades 7 to 9. This was both a benefit to the pupils but also the non-specialist teacher.
 - Science Week: 5 schools and 1,025 pupils enjoyed Physics, Chemistry and Biology 'flashmob-style' experiment, with the older pupils (Years 4 to 6) leaving with a STEM goody bag filled with materials and instructions for a selection of IoP 'Do Try This at Home experiments'.
-

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2023

Robotics projects:

Headlines:

- 34 schools reached, with a total of around 1,500 unique student interactions

Our recently appointed (September 2022) Robotics Partnerships teacher has made a huge impact. He has been entrepreneurial and creative in shaping this new role over the past year. His projects have ranged from regular Robotics clubs / sessions in schools to one-off events engaging both primary and secondary age children. In July 2023, his 'Bomb Disposal' session was a huge hit with students at the Northumbria Water Innovation Festival – students programmed and modified Sphero robots to detonate bombs (/ balloons!) off a miniature Blyth coast, so learning about the sub-sea robotics developed on the banks of the Tyne. It is great example how the work aims to link career pathways to local contexts, while also developing skills. He also played a significant role in the recent 'Houses of the Future' project as part of the launch of the Farrell Centre at Newcastle University:

Computer Science Partnership Projects have included:

Digital Schoolhouse - our Digital Schoolhouse sessions have been running weekly – it was great to welcome students back into school for 'in-person' workshops as lockdown rules allowed. Several unique schools have taken part in these termly (by School) mornings off timetable to develop coding skills.

CyberFirst Girls - We supported four secondary schools in entering CyberFirst Girls this year, and will look to build on our successes in Cyber Centurion by offering support to schools in setting up this challenge. As part of our newly awarded **Gold Cyber-First school accreditation** we will grow our 'cyber' outreach next year, to build on our aim to inspire the next generation of coders, software gurus and design engineers through our 'maker' approach to Computing.

Engineering, Design and Technology (EDT) equipment - We have loaned equipment to a local school to facilitate the development of their curriculum.

Computing - partner Primary schools have benefitted from the loan of equipment to facilitate First Lego League sessions, MicroBits have been distributed in a similar way, as have Nintendo Switches for our e-sports pilot via Digital Schoolhouse.

Cultural Capital Projects included:

In **Classics**, we introduced students from a local Primary to the Gladiators via a Student-Led project. In addition, we have continued to work with a local secondary school to upskill a non-specialist to deliver Latin GCSE by joint-planning and observing lessons delivered both remotely and in person.

Art Week at two local Primary Schools saw four RGS Sixth Form Artists working with students from four classes – sharing their projects while also supporting the Key Stage 2 students in their work.

Battle of the Bands was a continued fixture in the calendar, local schools including five partner State schools took part in this brilliant event.

Our **Storytelling** project was up and running again, with students from Year 9 Drama sharing their stories in a workshop at 2 local first Schools.

Through **Borrow Box**, we have worked closely with local partner Primary Schools where a box of Class Readers is loaned, resources added by the partner teacher, before being returned to pass on to the next school. The scheme reached 180 students across 6 classes this year, with students from Key Stages 1 and 2 benefitting from shared teacher resources and recently published books from exciting, diverse authors. 100% of participants in this scheme said they would use it again.

As well as more traditional CPD, including **workshops, teachmeets** and **PGCE placements**, we have worked

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Governors' report (continued) Year ended 31 July 2023

with partner schools on curriculum development, with the long-term aim of embedding a new subject or club in a school:

EPQ - Our Head of Projects has worked closely with a local High School to develop their EPQ course.

Classics – With thanks to funding from Classics for All, we have worked with an Academy to offer Latin GCSE with a group of Year 9 students. We worked closely with a colleague at the partner school to embed the subject as part of the curriculum offer at GCSE: this teacher is now equipped to bring a new group through Y9 alongside taking the current Year 9s into Year 10.

Debating – We are working with partner schools to upskill teachers to offer Debating Clubs. Teachers and students have joined our clubs to gain confidence in starting a club. We hope to build a network of schools to offer competitions in time. An exciting project for all involved!

Securing the future

In addition to the above component RGS Partnerships projects, we progressed plans to address a systemic challenge for the region, the alarming local shortage of maths and physics teachers. During the year we recruited trainees for the North East branch (in RGS), of the National Maths and Physics School-Centred Initial Teacher Training (SCITT) scheme: 4 trainees started their teacher training journey with us in September 2023.

We believe that we are only just realising the potential scope and power of cross-sector partnerships at local and national levels.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term – as covered in the Section on Principal Risks and Uncertainties on page 14.
- b. The interests of the company's employees as covered in the section on Engagement with Staff on page 17.
- c. The need to foster the Charity's relationships with third party stakeholders such as parents, students, partner state schools. Alumni, donors, contractors, suppliers as well as independent school organisations and national and local government. This is covered throughout this Report although primarily in the Review of Activities and Achievements section on page 5.
- d. The impact of the Charity's operations on the community and the environment as covered in the Greenhouse gas emissions and energy section on page 18 as well as in the section detailing our Community work on page 9.
- e. The desirability of the Charity maintaining a reputation for high standards of business conduct as covered in the Financial Review.
- f. The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented and is covered in the section on Engagement with Staff on page 17.

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Governors' report (continued) Year ended 31 July 2023

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to remain robust in 2023-24. Careful management of expenditure and cashflow led to an operating surplus of £970k. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before losses on investment assets of £988,340 (2022: £631,867). Investment losses amounted to £18,826 (2022: gains £4,862) resulting in a net surplus of £969,514 (2022: £636,729).

The school's subsidiary trading company, RGS Trading Limited, generated a surplus of £8,951 (2022: surplus of £532) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £3.6 million (2022: £3.1 million).

In all our dealings the school ensures that the businesses we contract with are dealt with fairly by adhering to payment terms and complying with all legal agreements and responsibilities. We put out to tender for all large projects to ensure we support local suppliers and ensure suppliers are giving value for money and are also adhering to the high standards which we would expect. We strive for high levels of integrity in all that we do and choose to work with companies who echo our values.

Going concern

Pupil numbers remained strong throughout 2022/23 and, although dropping to more usual levels at the start of the 2023/24 academic year, numbers remain robust and in line with forecast. Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme, forecast to increase from April 2024. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Having due regard to these matters and after making appropriate enquiries, the Board have therefore continued to adopt the Going Concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment policy and performance

The Governors' investment powers are governed by the Articles of Association. The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments.

The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2023 were +0.94% (2022: +1.69%) on the Peter Taylor Fund, +0.94% (2021: +1.69%) on the J R Howarth Bequest Fund and +0.94% (2022: 1.69%) on the Storrow Scott Trust. The total returns (capital growth with income received and after investment management fees), for the 3 years ended 31 July 2023 was 7.12% for each of the aforementioned funds. All three portfolios are invested in the COIF Charities Investment Fund (Income Units).

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Governors' report (continued) Year ended 31 July 2023

The returns for the year ended 31 July 2023 compare with a total return for the comparator benchmark of 1.97% (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 10.86% (the fund objective being CPI +4% after fees). The returns for the 3 years ended 31 July 2023 compare with a total return for the comparator benchmark of 7.59% per annum (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 10.26% (the fund objective being CPI +4% after fees).

It should be noted that the recent spike in UK inflation has made the Fund objective very challenging. The COIF Charities Investment Fund is a Risk Category 3 under PRIIPS (in a range of 1 to 7).

Reserves policy and performance

The Governors continue to take steps to review their reserves policy. Their intention is to continue to develop the school facilities with a focus on sustainability whilst at the same time containing increases in tuition fees to a reasonable level. Note 20 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £37.1 million. Of this, designated bursary funds totalling £2.9 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows.

Also within unrestricted funds are fixed assets totalling £44.9 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £10.6 million (2022: deficit of £12.0 million) due to loans of £11.8 million (2022: £12.6 million) which were taken out to fund building projects.

The Governors are satisfied with the reserves position of the school.

Principal funding

The school's day to day charitable activities are self-funding.

Principal risks and uncertainties

The main risk areas for the school are risks associated with the safeguarding of students as well as the potential impact of adverse political and economic environments.

Procedures and systems to minimise these risks are regularly reviewed and updated. All staff are required to undergo annual safeguarding training and from September 2022 this requirement has been extended to require that Governors receive specific Safeguarding training as part of their induction; all School Governors undergo annual Safeguarding training and in addition specific training will be given to Governors each year from September 2022.

External financial pressures that are out of the control of the school which include major impacts on the national economy such as the current cost of living and energy crisis, increases to contribution rates for the Teacher's Pension Scheme, changes to employers National Insurance contributions, the removal of charitable relief and the possibility of VAT on school fees are carefully monitored and contingency plans drawn up to manage the risks.

Fee income is a key risk and the school is aware that the cost of living impact whilst impacting the operational costs of the school also has a significant impact on parents and on their ability to pay school fees. The income from the Educational Trust to the school for the support of existing bursaries could be impacted due to the economic slowdown and resulting impact on donations, and income from investments and rental properties. Detailed modelling is conducted and reviewed on a regular basis to monitor and manage this risk.

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Governors' report (continued) Year ended 31 July 2023

Within financial risks, liquidity risk is managed by loans to finance long term projects and careful cash management to deal with month on month fluctuations in cash flow.

This academic year has seen the school continue to see some impact of the Covid-19 pandemic with some restriction on activities in the academic year as well as increased operational costs due to staff absenteeism and additional energy cost with additional ventilation required in colder months and therefore increased heating costs. with increased hygiene measures and cleaning to minimise transmission of the virus as well as increased ventilation throughout the site.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The school was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the school was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020.

On 1 August 2006, the assets, liabilities and undertaking of the school were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held.

By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 11144241.

- **Method of appointment or election of Governors**

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected, and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body. On joining the Board all Governors receive an induction and undergo appropriate training, both at induction, and throughout their tenure.

The Co-opted Governors are co-opted by the existing Governors.

- **Pay policy for senior staff**

The Nominations and Remuneration Committee review the pay of the Headmaster, Deputy Head and Director of Finance & Operations on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point due consideration is taken of benchmarked information for schools of a similar size and location.

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Governors' report (continued) Year ended 31 July 2023

• Organisational structure and decision making

The membership of the Governing Board has remained unchanged across the year and has focused on the strategy of the school. In addition, a new sub committee was established in the year, the Education Committee whose purpose is to inform, advise and assist the Governing Body on all matters associated with the educational life of RGS: curricular, co-curricular, pastoral, teaching and learning; in order to ensure that the strategic objectives of the school are delivered.

The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the school's vision. During the year the school commissioned a review of governance, which was very positive. The report gave a number of recommendations that the school is in the process of implementing.

The Governing body is supported by three sub-committees, the Finance and General Purposes Committee, the Education Committee and the Nominations and Remuneration Committee.

Governors meet six times a year, at least once every term, to review the activities of the school and its subsidiary.

Financial control is exercised over the activities of the school by means of an agreed Annual Budget.

More detailed issues are dealt with in advance of Governors' meetings by the Finance and General Purposes Committee and the Nominations and Remuneration Committee.

The Finance and General Purposes Committee is responsible for ensuring the sound management and auditing of the School's finances and resources, including proper planning, monitoring and probity.

Governors who served on the Finance and General Purposes Committee during the period were:

Mr Alex Lamb (Chair) (resigned 16 June 2023)
Mr Alan Fletcher
Mr Hugh Fell
Mr Nigel McMinn
Mr Tony Murphy (resigned 16 June 2023)

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head and Director of Finance & Operations annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr Hugh Fell (Chair)
Mr Alan Fletcher
Miss Scarlett Milligan
Mrs Sally Green

The Education Committee is responsible for providing an initial discussion forum for all matters of the education provided by the school including the pastoral, co-curricular, quality of teaching and staff development (of educational staff) as well as to have an oversight of other areas such as SEND, EDI, examination results and safeguarding.

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Governors' report (continued) Year ended 31 July 2023

Governors who served on the Education Committee during the period were:

Mrs Sally Green (Chair)
Mr Alan Fletcher
Mrs Joanna Berry
Mrs Aarti Gupta (resigned 16 June 2023)
Mrs Muzlifah Haniffa
Mrs Sue Woodroffe

The day to day running of the school is vested in the Headmaster and Director of Finance and Operations alongside seven other members of the Senior Leadership Team:

The Headmaster:	Mr Geoffrey Stanford
The Director of Finance and Operations:	Mrs Rachel Amey
The Deputy Head:	Mr Tom Keenan
The Head of Junior School:	Mr James Miller
The Deputy Head Academic:	Mr Roger Loxley (stepped down 31 August 2022)
The Deputy Head Academic:	Mr Chris Quayle (appointed 1 September 2022)
The Deputy Head Pastoral	Miss Sarah Longville
The Deputy Head of Co-curricular:	Mr Andrew McBride
The Head of Sixth Form:	Mrs Naomi McGough
The Director of Development and Communications:	Mrs Susan Beck
The Director of Partnerships:	Mr John Smith

• Engagement with staff and equal opportunities

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the Teachers' Pension Scheme, the aftermath of the Covid-19 pandemic, the introduction of digital devices and the financial position of the school. The school has an Information and Consultation Committee (ICC) that meets regularly at which staff may raise issues of concern and where feedback from Governor's meetings is provided; the members of the ICC represent both teaching and support staff. In addition, there have been a number of specific meetings with staff and Governors and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive.

When recruiting staff the School looks to appoint individuals from a wide variety of backgrounds. Not just because it is the right thing to do but because at the RGS we recognise that those different experiences provide fresh perspectives, opportunities to challenge existing beliefs and provide opportunities to act as excellent role models for our diverse student body. We are committed to creating an inclusive and diverse school culture and our staff are at the heart of this. We are proud to be an equal opportunities employer and all qualified applicants will receive consideration for employment regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships. RGS works with all staff to ensure appropriate training is provided and adjustments made should an individual's circumstances change during their employment, and that ongoing training, development and progression is available to all staff regardless of their circumstances.

• Related party relationships

The school shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school meets the Trust's campaign appeal costs.

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Governors' report (continued) Year ended 31 July 2023

- **Risk management**

The Governors examine the major risks that the school faces each year, in the course of reviewing their strategic planning for the development of the school. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the school in the future. The principal risks faced by the school are covered under principal risks and uncertainties on page 14.

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 August 2022 to 31 July 2023

Energy Consumption used to calculate emissions (kWh)	5,033,162
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	630.0
Transport fuel	16.3
Total Scope 1	646.3
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	317.5
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	2.9
Total gross emissions in metric tonnes CO₂e	967.4
Intensity ratio tonnes CO₂e per pupil	0.72

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

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Governors' report (continued) Year ended 31 July 2023

Measures taken to improve energy efficiency and sustainability

The intensity ratio has decreased to 0.72 tonnes CO2 emissions per pupil (2022: 0.82) due in main to decreases in both gas and electricity consumption in the period.

LED lights are installed across the school site, including the use of PIR sensors and daylight dimming in appropriate spaces to further reduce the School's energy consumption. The Trustees approved the investment in solar panels during the year and these were installed in Summer 2023. We are actively looking at sustainability as part of our Development plan and exploring means to decrease our energy intensity ratio. A Procurement Manager was recruited in the year to ensure we are purchasing in a sustainable and cost effective way to reduce spend and wastage.

The school recognises that its activities and actions have an impact on the environment, locally and nationally. RGS is committed to becoming a more sustainable School as part of our 2030 vision, by reducing our negative impact on the environment and enhancing our positive impact.

Sustainability at RGS

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. This encompasses not only the environment, but also social factors and economic resources.

Educating the RGS community about the need to live and learn in a sustainable way is fundamental to the school's vision and ethos of treating everything and everyone with care and respect along with recognising it belongs in the city and that its operations should not compromise future inhabitants.

RGS will celebrate its 500th Anniversary in 2025. The current generation of RGS staff and pupils wish to ensure that we shape a School that is able to flourish for at least another half millennium.

RGS has identified the following areas of focus:

- **An estate built to last:** RGS will ensure the Estate is built and managed in a sustainable way.
- **Lowering our carbon emissions:** The school quantified its carbon emissions for the first time in 2021 and will seek to establish targets in order to quantify the decarbonisation of the Estate.
- **A culture of using less:** The RGS community commits to using less, encompassing all aspects of school life, from pens and paper to reducing printing and electricity.
- **Sustainable purchasing:** RGS will embed life cycle considerations into all purchases and make environmentally friendly choices regarding products and suppliers.
- **Environmentally friendly catering:** RGS will ensure its catering operation minimises food miles, reduces its carbon footprint, and educates the community about healthy and sustainable food choices.

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Governors' report (continued) Year ended 31 July 2023

PLANS FOR FUTURE PERIODS

- **Future developments**

At the end of each academic year the school reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders and in recognition of our charitable objectives. For the next period (2023-2027), the following key areas for regular review are as follows:

- Vision, ethos and values
- Teaching and learning
- Pastoral care and wellbeing of staff and students
- Co-curricular provision
- Continuum of pupil experience
- Staff recruitment, retention and development
- Wider community impact
- Marketing, communications and development
- Finance and operations

They are, of course, central to the effective running of the school and will be continuously reviewed. These all fall within specific areas of management oversight for members of the Senior Leadership Team (both Senior and Junior) and will be appraised and reviewed within SLT meetings.

A fundamental part of the process for the school Development Plan is to consider a longer timeframe and how we will strive to fully realise our Vision. To this end, a range of key areas continue to emerge from consultations and these form the main focus points for additional specific developments):

1. Vision, ethos and values – reinforce the vision and ethos in the school and ensure there is a positive and inclusive culture in school focusing on tolerance, respect and awareness of others.
2. Teaching and learning – ensure implementation of our digital strategy and the roll out of devices to students promotes best practice in teaching and learning which helps to ensure high quality outcomes for all students.
3. Pastoral care and wellbeing – develop a dynamic well being strategy to support all members of the RGS community and to review the School's approach towards rewards to instill behaviours consistent with the school's ethos and values.
4. Co-curricular provision – growing the capacity to lead and serve and improve the cocurricular opportunities for every student.
5. Continuity of pupil experience – with a focus on appropriate support at transition points, from recruiting pupils to the school at different entry points, moving up through key stages and to the next stage beyond the RGS as well as developing existing opportunities for pupils to take on positions of responsibility that set and excellent leadership example to younger years.
6. Staff recruitment, retention and development – develop a culture of continuous professional development with an emphasis on identifying individual needs and sharing best practice along with the evolution of the staff appraisal system and leadership training at all levels.
7. Development, marketing and communications – use all channels available to foster stronger information sharing and improve engagement whilst have a better understanding of RGS stakeholders.
8. Wider community impact – to continue to engage with the community in creating meaningful impact in the North East through outreach activities including: partnership activity, voluntary service, charity activity and the establishment of the Maths and Physics SCITT programme.
9. Finance and operations – ensuring there is sound financial control and governance to help deal with the economic uncertainties alongside maintaining and improving our facilities in a sustainable manner.

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Governors' report (continued) Year ended 31 July 2023

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditors in connection with preparing their report and to establish that the charitable company and the group's auditors are aware of that information.

This report, which includes the strategic report, was approved by the Governors on 1 February 2024 and signed on their behalf by:

DocuSigned by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2023 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2023 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

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



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (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 governors 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 governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the governors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the governors and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law, safeguarding and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Anne Hallowell

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**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor**

Chartered Accountants
Newcastle upon Tyne

1 February 2024

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of financial activities Year ended 31 July 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and legacies	3	481,475	1,181,276	-	1,662,751	1,085,357
Charitable activities	4	20,363,742	-	-	20,363,742	19,213,643
Other trading activities	5	150,286	-	-	150,286	113,621
Investments	6	134,472	60,648	-	195,120	100,947
Other income		65,584	-	-	65,584	42,253
Total income		21,195,559	1,241,924	-	22,437,483	20,555,821
Expenditure on:						
Raising funds	7	177,054	1,440	-	178,494	166,142
Charitable activities	8	20,048,358	1,222,291	-	21,270,649	19,757,812
Total expenditure		20,225,412	1,223,731	-	21,449,143	19,923,954
Net (losses)/gains on investments		-	-	(18,826)	(18,826)	4,862
Net income / (expenditure)		970,147	18,193	(18,826)	969,514	636,729
Net movement in funds		970,147	18,193	(18,826)	969,514	636,729
Reconciliation of funds:						
Total funds brought forward		36,154,423	186,343	1,328,975	37,669,741	37,033,012
Net movement in funds		970,147	18,193	(18,826)	969,514	636,729
Total funds carried forward		37,124,570	204,536	1,310,149	38,639,255	37,669,741

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated income and expenditure account

Year ended 31 July 2023

	Total funds 2023 £	Total funds 2022 £
Gross income in the reporting period	22,437,483	20,555,821
Less: Total expenditure	(21,449,143)	(19,923,954)
Net income for the reporting period	988,340	631,867

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	44,890,255	45,266,729
Investments	13	945,149	963,975
Investment property	14	365,000	365,000
		<u>46,200,404</u>	<u>46,595,704</u>
Current assets			
Stocks	15	23,051	16,298
Debtors	16	418,418	338,557
Cash at bank and in hand		6,930,784	6,678,030
		<u>7,372,253</u>	<u>7,032,885</u>
Creditors: amounts falling due within one year	17	(3,771,788)	(3,928,258)
Net current assets		<u>3,600,465</u>	<u>3,104,627</u>
Total assets less current liabilities		<u>49,800,869</u>	<u>49,700,331</u>
Creditors: amounts falling due after more than one year	18	(11,161,614)	(12,030,590)
Total net assets		<u><u>38,639,255</u></u>	<u><u>37,669,741</u></u>
Charity funds			
Endowment funds	19	1,310,149	1,328,975
Restricted funds	19	204,536	186,343
Unrestricted funds:			
- Designated funds	19	2,878,404	2,878,404
- Revaluation reserve	19	12,941,804	12,941,804
- General funds	19	21,304,362	20,334,215
Total unrestricted funds	19	<u>37,124,570</u>	<u>36,154,423</u>
Total funds		<u><u>38,639,255</u></u>	<u><u>37,669,741</u></u>

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)


Consolidated balance sheet (continued)

At 31 July 2023

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 01 February 2024 and signed on their behalf by:

DocuSigned by:


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A C Fletcher
(Chair of Governors)

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet At 31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	12	44,890,255	45,264,574
Investments	13	945,150	963,976
Investment property	14	365,000	365,000
		<u>46,200,405</u>	<u>46,593,550</u>
Current assets			
Stocks	15	12,068	11,093
Debtors	16	434,758	347,231
Cash at bank and in hand		6,910,740	6,670,138
		<u>7,357,566</u>	<u>7,028,462</u>
Creditors: amounts falling due within one year	17	(3,769,923)	(3,925,834)
Net current assets		<u>3,587,643</u>	<u>3,102,628</u>
Total assets less current liabilities		<u>49,788,048</u>	<u>49,696,178</u>
Creditors: amounts falling due after more than one year	18	(11,161,614)	(12,030,590)
Total net assets		<u><u>38,626,434</u></u>	<u><u>37,665,588</u></u>
Charity funds			
Endowment funds	19	1,310,149	1,328,975
Restricted funds	19	204,536	186,343
Unrestricted funds:			
- Designated funds	19	2,878,404	2,878,404
- Revaluation reserve	19	12,941,804	12,941,804
- General funds	19	21,291,541	20,330,062
Total unrestricted funds	19	<u>37,111,749</u>	<u>36,150,270</u>
Total funds		<u><u>38,626,434</u></u>	<u><u>37,665,588</u></u>

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet (continued)

At 31 July 2023

The company's net movement in funds for the year was £960,846 (2022: £636,197).

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 01 February 2024 and signed on their behalf by:

DocuSigned by:

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A C Fletcher
(Chair of Governors)

Company registered number: 05664801

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 July 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash generated from operating activities	21	2,148,805	3,423,756
Cash flows from investing activities			
Dividends, interests and rents from investments		195,094	100,947
Purchase of tangible fixed assets		(821,258)	(558,163)
Net cash used in investing activities		(626,164)	(457,216)
Cash flows from financing activities			
Repayments of borrowing		(840,000)	(840,000)
Interest paid		(429,887)	(463,545)
Net cash used in financing activities		(1,269,887)	(1,303,545)
Change in cash and cash equivalents in the year		252,754	1,662,995
Cash and cash equivalents at the beginning of the year		6,678,030	5,015,035
Cash and cash equivalents at the end of the year	22	6,930,784	6,678,030

The notes on pages 34 to 65 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

1. General information

The Newcastle upon Tyne Royal Grammar School ('the charitable company') and its subsidiaries (together, 'the group') are engaged in the education of children and young persons in the North of England.

The charitable company is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the charitable company are the governors named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary, RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the charitable company's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the charitable company for reporting purposes.

The charitable company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

2. Accounting policies (continued)

2.4 Going concern

The school recorded a net surplus of income over expenditure in the year ended 31 July 2023 and has net assets at the year end of £38.6 million (2022: £37.7 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings; the school is not reliant on short term loans or overdraft facilities.

Forecasts have been prepared based upon current pupil numbers and Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

2. Accounting policies (continued)

2.5 Income

All income is recognised when the group has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 deducting allowances and other remissions granted by the group from its unrestricted funds, but before deducting grants of bursaries.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The group receives a grant from the Hospital of St Mary the Virgin charity, and recognises all grants receivable from that charity, including amounts not yet paid by the year end, but which under the terms of that charity's trust deed, it must pay over in due course to the group.

Grants and donations received for the general purposes of the group are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction.

Investment income

Investment income is accounted for in the period in which the group is entitled to receipt. Incoming resources from endowment funds are restricted.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the group, including those incurred in connection with the administration of the group and compliance with constitutional and statutory requirements. They are apportioned against the activities of the group in line with the estimated usage of those costs.

Grants and bursaries are included as expenditure in the period for which the award is given.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

2.7 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the statement of financial activities.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the group plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the school are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the group.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

Freehold property	- 50 years
Leasehold land and buildings	- over the life of the lease
All weather pitch	- 20 years
Motor vehicles	- 4 years
Fixtures and fittings	- 3 - 10 years
Trading subsidiary equipment	- 4 years

Assets under construction are not depreciated until they are transferred to freehold land and buildings.

Revaluation of fixed assets

The group has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of financial activities.

2.9 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the charitable company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties, including fellow group companies.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the statement of financial activities.

2.15 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.16 Pension costs

The group operates two main schemes:

The group participates in the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The group also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the governors in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which are held for the permanent benefit of the group. There is no power to convert capital into income.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.18 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments in applying the group's accounting policies

In preparing these financial statements, the governors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owned by the group, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Hospital of St Mary the Virgin	197,690	-	197,690
The Royal Grammar School Educational Trust	-	1,099,709	1,099,709
Other income	283,785	81,567	365,352
	<u>481,475</u>	<u>1,181,276</u>	<u>1,662,751</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Hospital of St Mary the Virgin	170,448	-	170,448
The Royal Grammar School Educational Trust	-	904,035	904,035
Other income	-	10,874	10,874
	<u>170,448</u>	<u>914,909</u>	<u>1,085,357</u>

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Provision of school services	20,363,742	20,363,742	19,213,643

School fees

	2023 £	2022 £
Gross fees	20,028,202	18,910,076
Less: Grants and allowance	(463,157)	(451,124)
Catering income	798,697	754,691
	20,363,742	19,213,643

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Facilities lettings income	92,334	92,334	70,915

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Subsidiary trading	57,952	57,952	42,706

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

6. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Property rental income	-	33,510	33,510
Dividend income	-	23,707	23,707
Prize fund dividend income	-	3,431	3,431
Bank interest	134,472	-	134,472
	<u>134,472</u>	<u>60,648</u>	<u>195,120</u>
	<u><u>134,472</u></u>	<u><u>60,648</u></u>	<u><u>195,120</u></u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Property rental income	-	33,891	33,891
Dividend income	-	29,317	29,317
Prize fund dividend income	-	3,414	3,414
Bank interest	34,325	-	34,325
	<u>34,325</u>	<u>66,622</u>	<u>100,947</u>
	<u><u>34,325</u></u>	<u><u>66,622</u></u>	<u><u>100,947</u></u>

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2023

7. Cost of raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fundraising costs	11,614	-	11,614
Marketing costs	95,712	-	95,712
Costs of letting facilities	-	1,440	1,440
Professional fees	12,444	-	12,444
Subsidiary trading costs	57,286	-	57,286
	<u>177,056</u>	<u>1,440</u>	<u>178,496</u>
		Unrestricted funds 2022 £	Total funds 2022 £
Fundraising costs		21,552	21,552
Marketing costs		89,789	89,789
Costs of letting facilities		1,658	1,658
Professional fees		6,402	6,402
Subsidiary trading costs		46,741	46,741
		<u>166,142</u>	<u>166,142</u>

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Notes to the financial statements

Year ended 31 July 2023

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Provision of school services	19,771,904	91,844	19,863,748
Bursaries provided	276,454	1,130,447	1,406,901
	<u>20,048,358</u>	<u>1,222,291</u>	<u>21,270,649</u>
	<u><u>20,048,358</u></u>	<u><u>1,222,291</u></u>	<u><u>21,270,649</u></u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Provision of school services	18,034,700	-	18,034,700
Bursaries provided	764,706	958,406	1,723,112
	<u>18,799,406</u>	<u>958,406</u>	<u>19,757,812</u>
	<u><u>18,799,406</u></u>	<u><u>958,406</u></u>	<u><u>19,757,812</u></u>

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Notes to the financial statements

Year ended 31 July 2023

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Provision of school services	18,166,440	1,697,308	19,863,748
Bursaries provided	1,191,923	214,978	1,406,901
	<u>19,358,363</u>	<u>1,912,286</u>	<u>21,270,649</u>

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Provision of school services	16,110,062	-	1,924,638	18,034,700
Bursaries provided	1,084,547	450,000	188,565	1,723,112
	<u>17,194,609</u>	<u>450,000</u>	<u>2,113,203</u>	<u>19,757,812</u>

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Notes to the financial statements Year ended 31 July 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Depreciation	1,195,577	1,257,029
Teachers' salaries	9,911,146	9,440,181
Teaching resources	744,720	878,497
Other educational costs	939,766	215,473
Other teaching staff costs	199,462	170,404
Premises costs - salary	705,600	687,949
Premises costs - maintenance	798,388	877,407
Premises costs - occupancy	1,222,591	594,001
Premises costs - insurance	169,936	166,642
Catering costs - staff salaries	321,760	290,397
Catering costs - food	473,122	445,226
Catering costs - kitchen overheads	151,542	66,289
Academic support expenditure - educational support salaries	1,082,251	733,483
Academic support expenditure - PE and sport	226,450	256,481
Academic support expenditure - clubs, school magazines and miscellaneous costs	14,446	21,565
Bursaries provided	1,191,923	1,084,547
Prizes and awards	9,683	9,038
	19,358,363	17,194,609

Analysis of support costs

	Provision of school services 2023 £	Bursaries provided 2023 £	Total funds 2023 £
Administration costs	996,325	214,978	1,211,303
Financial costs	550,180	-	550,180
Other central costs	113,460	-	113,460
Governance	37,343	-	37,343
	1,697,308	214,978	1,912,286

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Notes to the financial statements Year ended 31 July 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Provision of school services 2022 £	Bursaries provided 2022 £	Total funds 2022 £
Administration costs	1,232,721	188,565	1,421,286
Financial costs	545,507	-	545,507
Other central costs	129,713	-	129,713
Governance	16,697	-	16,697
	<u>1,924,638</u>	<u>188,565</u>	<u>2,113,203</u>

10. Auditor's remuneration

	2023 £	2022 £
Fees payable to the group's auditor for the audit of the charitable company's annual accounts	10,900	8,600
Fees payable to the group's auditor in respect of:		
- The auditing of accounts of associates of the group	5,680	5,190
- All assurance services not included above	920	840
	<u>17,500</u>	<u>14,630</u>

11. Pupils and employees details

	2023 £	2022 £
Staff costs		
Wages and salaries	10,027,805	9,408,516
Social security costs	1,072,685	1,000,253
Pension contributions	1,884,086	1,798,830
	<u>12,984,576</u>	<u>12,207,599</u>

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Notes to the financial statements

Year ended 31 July 2023

	2023 No.	2022 No.
The number of employees receiving remuneration of more than £60,000 per annum is as follows:		
£60,001 - £70,000	22	18
£70,001 - £80,000	4	4
£80,001 - £90,000	3	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£120,001 - £130,000	1	1
£130,001 - £140,000	-	-
£140,001 to £150,000	1	1
	<u>32</u>	<u>26</u>

Key management personnel has been determined to be the governors and the 10 (2022: 10) members of the senior management team. The total remuneration of the senior management team, excluding employer's national insurance costs, was £1,098,259 (2022: £1,000,307).

During the year, no governors received any remuneration (2022: £nil). No expenses were reimbursed to governors (2022: £576 reimbursed to 2 governors).

	Headcount 2023 No.	Headcount 2022 No.	FTE 2023 No.	FTE 2022 No.
Staff numbers				
Senior school teachers	124	120	114	111
Junior school teachers	21	20	19	19
Academic support	51	42	34	29
Property management	30	32	24	25
Clerical and administrative	30	29	25	24
Catering	21	21	16	16
	<u>277</u>	<u>264</u>	<u>232</u>	<u>224</u>

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2023

Pupil numbers at 31 July

	2023	2022
	No.	No.
Senior school		
Full fees	1,002	997
Receiving bursaries	77	75
	1,079	1,072
	2023	2022
	No.	No.
Junior school		
Full fees	264	270
Receiving bursaries	6	7
	270	277

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

12. Tangible fixed assets

Group

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Trading subsidiary equipment £	Assets under constr- uction £	Total £
Cost or valuation						
At 1 August 2022	51,840,394	195,626	3,886,021	12,067	-	55,934,108
Additions	-	23,172	227,769	-	570,317	821,258
Transfers between classes	29,610	-	(29,610)	-	-	-
At 31 July 2023	<u>51,870,004</u>	<u>218,798</u>	<u>4,084,180</u>	<u>12,067</u>	<u>570,317</u>	<u>56,755,366</u>
Depreciation						
At 1 August 2022	7,289,279	119,015	3,249,173	9,912	-	10,667,379
Charge for the year	953,167	3,291	239,119	2,155	-	1,197,732
At 31 July 2023	<u>8,242,446</u>	<u>122,306</u>	<u>3,488,292</u>	<u>12,067</u>	<u>-</u>	<u>11,865,111</u>
Net book value						
At 31 July 2023	<u><u>43,627,558</u></u>	<u><u>96,492</u></u>	<u><u>595,888</u></u>	<u><u>-</u></u>	<u><u>570,317</u></u>	<u><u>44,890,255</u></u>
At 31 July 2022	<u><u>44,551,115</u></u>	<u><u>76,611</u></u>	<u><u>636,848</u></u>	<u><u>2,155</u></u>	<u><u>-</u></u>	<u><u>45,266,729</u></u>

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

12. Tangible fixed assets (continued)

Company

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation					
At 1 August 2022	51,840,394	195,626	3,886,021	-	55,922,041
Additions	-	23,172	227,769	570,317	821,258
Transfers between classes	29,610	-	(29,610)	-	-
At 31 July 2023	<u>51,870,004</u>	<u>218,798</u>	<u>4,084,180</u>	<u>570,317</u>	<u>56,743,299</u>
Depreciation					
At 1 August 2022	7,289,279	119,015	3,249,173	-	10,657,467
Charge for the year	953,167	3,291	239,119	-	1,195,577
At 31 July 2023	<u>8,242,446</u>	<u>122,306</u>	<u>3,488,292</u>	<u>-</u>	<u>11,853,044</u>
Net book value					
At 31 July 2023	<u>43,627,558</u>	<u>96,492</u>	<u>595,888</u>	<u>570,317</u>	<u>44,890,255</u>
At 31 July 2022	<u>44,551,115</u>	<u>76,611</u>	<u>636,848</u>	<u>-</u>	<u>45,264,574</u>

Included in land and buildings is freehold land at valuation of £6,700,000 (2022: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2023, included within the net book value of land and buildings is £43,610,553 (2022: £44,533,139) relating to freehold land and buildings and £17,003 (2022: £17,976) relating to long term leasehold land and buildings.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

13. Fixed asset investments

Group	Listed investments £		
Cost or valuation			
At 1 August 2022			963,975
Revaluations			(18,826)
At 31 July 2023			945,149
Net book value			
At 31 July 2023			945,149
At 31 July 2022			963,975
Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 August 2022	1	963,975	963,976
Revaluations	-	(18,826)	(18,826)
At 31 July 2023	1	945,149	945,150
Net book value			
At 31 July 2023	1	945,149	945,150
At 31 July 2022	1	963,975	963,976

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Notes to the financial statements Year ended 31 July 2023

14. Investment property

Group

Freehold
investment
property
£

Valuation

At 1 August 2022 and 31 July 2023

365,000

Company

Freehold
investment
property
£

Valuation

At 1 August 2022 and 31 July 2023

365,000

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

15. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Teaching and other stock	3,683	3,683	3,683	3,683
Kitchen	8,385	7,410	8,385	7,410
Goods for resale	10,983	5,205	-	-
	23,051	16,298	12,068	11,093

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Notes to the financial statements Year ended 31 July 2023

16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	93,981	81,008	93,825	81,008
Amounts owed by group undertakings	-	-	16,867	11,862
Other debtors	75,373	9,042	75,002	5,854
Prepayments and accrued income	249,064	248,507	249,064	248,507
	418,418	338,557	434,758	347,231

17. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	840,000	840,000	840,000	840,000
Trade creditors	751,538	272,378	751,538	271,683
School field trip creditors	150,546	86,501	150,261	86,501
Pension creditor	205,310	203,022	205,310	203,022
Other taxation and social security	268,253	260,155	268,253	260,155
Other creditors	99,747	583,029	99,747	583,029
Accruals and deferred income	1,332,905	1,506,844	1,331,325	1,505,115
Fees received in advance	53,089	107,129	53,089	107,129
Deposits	70,400	69,200	70,400	69,200
	3,771,788	3,928,258	3,769,923	3,925,834

The movement in deferred income in the year is as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred income at the beginning of the year	176,329	197,369	176,329	197,369
Resources deferred during the year	123,489	176,329	123,489	176,329
Amounts released from previous periods	(176,329)	(197,369)	(176,329)	(197,369)
	123,489	176,329	123,489	176,329

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Notes to the financial statements Year ended 31 July 2023

18. Creditors: amounts falling due after more than one year

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Bank loans	10,947,000	11,787,000	10,947,000	11,787,000
Deposits	191,600	197,600	191,600	197,600
Fees received in advance	23,014	45,990	23,014	45,990
	11,161,614	12,030,590	11,161,614	12,030,590

Included within the above are amounts falling due as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Between one and two years				
Bank loans	840,000	840,000	840,000	840,000
Between two and five years				
Bank loans	2,520,000	2,520,000	2,520,000	2,520,000
Over five years				
Bank loans	7,587,000	8,427,000	7,587,000	8,427,000

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Payable or repayable by instalments	7,587,000	8,427,000	7,587,000	8,427,000

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the group and a debenture. At 31 July 2023, bank loans, including amounts falling due within one year, comprise the following loans:

- £11.5 million term loan, of which £8.9 million remained outstanding at the year end, secured on the group's freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates; and
- £3.5 million facility, of which £2.9 million remained outstanding at the year end, secured on the group's freehold land and buildings and repayable by instalments over a 15 year term and bearing interest at market rates.

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Notes to the financial statements Year ended 31 July 2023

19. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2023 £
Designated funds					
Bursary Fund	2,878,404	-	-	-	2,878,404
Revaluation reserve	12,941,804	-	-	-	12,941,804
General funds					
School general fund	20,330,062	21,129,322	(20,168,126)	-	21,291,258
RGS Trading	4,153	66,237	(57,286)	-	13,104
	<u>20,334,215</u>	<u>21,195,559</u>	<u>(20,225,412)</u>	<u>-</u>	<u>21,304,362</u>
Total unrestricted funds	<u>36,154,423</u>	<u>21,195,559</u>	<u>(20,225,412)</u>	<u>-</u>	<u>37,124,570</u>
Endowment funds					
Prize Funds Charity	122,958	-	-	(2,571)	120,387
J R Howarth Bursary Fund	147,923	-	-	(2,859)	145,064
Peter Taylor Bursary Fund	94,946	-	-	(1,835)	93,111
The Storrow Scott Trust	963,148	-	-	(11,561)	951,587
	<u>1,328,975</u>	<u>-</u>	<u>-</u>	<u>(18,826)</u>	<u>1,310,149</u>
Restricted funds					
J R Howarth Bursary Fund	1,970	-	-	-	1,970
Peter Taylor Bursary Fund	15,499	-	-	-	15,499
School Bursary Fund	123,552	1,188,122	(1,188,122)	-	123,552
Cricket Fund	432	-	-	-	432
The Storrow Scott Trust	44,890	50,371	(32,178)	-	63,083
Prize Fund	-	3,431	(3,431)	-	-
	<u>186,343</u>	<u>1,241,924</u>	<u>(1,223,731)</u>	<u>-</u>	<u>204,536</u>
Total of funds	<u>37,669,741</u>	<u>22,437,483</u>	<u>(21,449,143)</u>	<u>(18,826)</u>	<u>38,639,255</u>

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Notes to the financial statements Year ended 31 July 2023

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2022 £
Designated funds					
Bursary Fund	3,328,404	-	(450,000)	-	2,878,404
Revaluation reserve	12,941,804	-	-	-	12,941,804
General funds					
School general fund	19,271,852	19,527,017	(18,468,807)	-	20,330,062
RGS Trading	3,621	47,273	(46,741)	-	4,153
	<u>19,275,473</u>	<u>19,574,290</u>	<u>(18,515,548)</u>	<u>-</u>	<u>20,334,215</u>
Total unrestricted funds	<u>35,545,681</u>	<u>19,574,290</u>	<u>(18,965,548)</u>	<u>-</u>	<u>36,154,423</u>
Endowment funds					
Prize Funds Charity	107,408	-	-	15,550	122,958
J R Howarth Bursary Fund	149,803	-	-	(1,880)	147,923
Peter Taylor Bursary Fund	96,153	-	-	(1,207)	94,946
The Storrow Scott Trust	970,749	-	-	(7,601)	963,148
	<u>1,324,113</u>	<u>-</u>	<u>-</u>	<u>4,862</u>	<u>1,328,975</u>
Restricted funds					
J R Howarth Bursary Fund	1,970	-	-	-	1,970
Peter Taylor Bursary Fund	15,499	-	-	-	15,499
School Bursary Fund	126,171	923,375	(925,994)	-	123,552
Cricket Fund	432	-	-	-	432
The Storrow Scott Trust	19,146	54,742	(28,998)	-	44,890
Prize Fund	-	3,414	(3,414)	-	-
	<u>163,218</u>	<u>981,531</u>	<u>(958,406)</u>	<u>-</u>	<u>186,343</u>
Total of funds	<u>37,033,012</u>	<u>20,555,821</u>	<u>(19,923,954)</u>	<u>4,862</u>	<u>37,669,741</u>

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Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- A donation to be expended on the cricket equipment and facilities.

LINKED CHARITIES

The charitable company is the trustee of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Under the 2006 Scheme of the Property Trust retains the group's permanent endowments. Land and buildings must be managed by the group in accordance with the objects of this charity and various prize funds held by the charity must be managed by the group in accordance with their trusts.

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Year ended 31 July 2023

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Trustee of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Trustees. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be played there on grass.

The capital of The Endowment Fund is now to be held at the discretion of the Trustees subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Fields Association and the Northumberland Playing Fields Association.

However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Trustees in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Trustee shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received into the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring trustees, Mr Scott having been a pupil at the school).

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Year ended 31 July 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	44,890,255	-	-	44,890,255
Fixed asset investments	-	-	945,149	945,149
Investment property	-	-	365,000	365,000
Current assets	7,167,717	204,536	-	7,372,253
Creditors due within one year	(3,771,788)	-	-	(3,771,788)
Creditors due in more than one year	(11,161,614)	-	-	(11,161,614)
Total	37,124,570	204,536	1,310,149	38,639,255

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	45,266,729	-	-	45,266,729
Fixed asset investments	-	-	963,975	963,975
Investment property	-	-	365,000	365,000
Current assets	6,846,542	186,343	-	7,032,885
Creditors due within one year	(3,928,258)	-	-	(3,928,258)
Creditors due in more than one year	(12,030,590)	-	-	(12,030,590)
Total	36,154,423	186,343	1,328,975	37,669,741

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21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per statement of financial activities)	969,514	636,729
Adjustments for:		
Depreciation charges	1,197,732	1,257,029
Interest paid	429,887	463,545
Losses/(gains) on investments	18,826	(4,862)
Dividends, interests and rents from investments	(195,094)	(100,947)
Increase in stocks	(6,753)	(3,919)
(Increase)/decrease in debtors	(79,861)	10,852
(Decrease)/increase in creditors	(185,446)	1,165,329
Net cash provided by operating activities	2,148,805	3,423,756

22. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	6,930,784	6,678,030

23. Analysis of changes in net debt

	At 1 August 2022 £	Cash flows £	Other non- cash changes £	At 31 July 2023 £
Cash at bank and in hand	6,678,030	252,754	-	6,930,784
Debt due within 1 year	(840,000)	840,000	(840,000)	(840,000)
Debt due after 1 year	(11,787,000)	-	840,000	(10,947,000)
	(5,948,970)	1,092,754	-	(4,856,216)

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24. Pension commitments

The group's employees belong to two principal pension schemes, the Teachers' Pension Scheme for teaching staff, and the RGS Support Staff Pension Scheme for support staff.

Teachers' Pension Scheme

The Teachers' Pension Scheme ('TPS') is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,658,929 (2022: £1,591,320). Contributions totalling £205,310 (2022: £203,022) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

Valuation of the Teacher's Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

RGS Support Staff Pension Scheme

The RGS Support Staff Pension Scheme is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £225,157 (2022: £207,510). Contributions totalling £nil (2022: £nil) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

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25. Operating lease commitments

At 31 July 2023 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	101,963	61,945	101,963	61,945
Later than 1 year and not later than 5 years	321,006	71,269	321,006	71,269
Later than 5 years	231,602	246,293	231,602	246,293
	654,571	379,507	654,571	379,507

26. Related party transactions

Some governors are also trustees of The Royal Grammar School Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The grant made towards bursaries in the year amounted to £1,099,709 (2022: £904,035). The group's administrative staff provide assistance with the charity's record keeping at no charge to the charity. The group maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school has met the Trust's campaign appeal costs totalling £105,508 (2022: £133,502). The group made no donations to the charity during the year (2022: £450,000).

The Trust has provided Hardship funds to help support families (e.g. purchasing suitable clothes for Sixth formers, transportation expenses to the school) to the group totalling £2,425 (2022: £5,759)

The Trust has also received donations totalling £63,595 (2022: £51,196) from trustees or charities with which trustees have an association.

The Storrow Scott Charitable Will Trust, a charity controlled by the school, applies its income to the Royal Grammar School Educational Trust. Grants paid or payable in the year amounted to £30,738 (2022: £28,998).

The group purchased merchandise from RGS Trading Limited in the year totalling £2,972 (2022: £4,567) as well as recharges of £14,056 (2022: £8,501) for staff costs and administration. The balance owed by RGS Trading Limited at year end is £16,867 (2022: £11,862).

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27. Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

Name	Company number	Class of shares	Holding	Included in consolidation
RGS Trading Limited	04063794	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
RGS Trading Limited	66,237	(57,286)	8,951	13,107