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# ANNUAL REPORT FOR THE YEAR ENDING AUGUST 2018

The Royal Grammar School Worcester  
A private company, limited by guarantee  
Registered No. 6251081  
Charity No. 1120644

**THE ROYAL GRAMMAR SCHOOL  
WORCESTER**

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**Charity No. 1120644**

**ANNUAL REPORT**

**FOR THE YEAR ENDED**

**31 AUGUST 2018**

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**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**GOVERNORS' REPORT YEAR ENDED 31 August 2018**

1. The **Name of the Company** is The Royal Grammar School Worcester ("the School").
2. The **Address** of the Company is The Royal Grammar School Worcester, Upper Tything, Worcester, WR1 1HP.
3. The School was incorporated on 17 May 2007, but continued to operate as an unincorporated charity until 31 August 2007. It began active operations as a limited company on merging with The Alice Ottley School on 1 September 2007. There were no trading activities prior to this date.
4. The School operates on three sites; the senior school located in The Tything, Worcester, known as RGS Worcester; a preparatory school located in Britannia Square, Worcester, known as RGS Springfield; and a preparatory school in Claines, known as RGS The Grange.
5. **Status.** The Company is registered at Companies House, Cardiff as a private company, limited by guarantee, registered number 6251081. The Company is also registered as a charity, number 1120644. The Company is the trustee of Charity 527527 which holds in trust the Permanent Endowments of the School under a Charity Commission Scheme sealed on 2 July 2007 and altered by a further scheme sealed on 15 January 2008. The Scheme contains a Uniting Direction that the charity and associated funds shall be treated as forming part of the Company for the purposes of Part 6 (accounting) of the Charities Act 2011.
6. **Directors of the Company.** The Directors of the Company are also the Governors of the School and the Trustees of the Charity. Those who have served during the year as Directors are listed below:-

Mr J Q S Poole	Vice Chair of Governors to 07/12/2017 and Chair of Governors from 07/12/2017, Chair of NC and member of F&GP
Mrs R F Ham	Chair of Governors until 07/12/2017, Vice Chair of Governors from 07/12/2017, Governor with special interest for Safeguarding to 09/02/2017
Mrs L Cook	EC, Staff Liaison at RGS Worcester and Governor with special interest for Learning Development
Mr N Fairlie	F&GP
Sir R Fry	NC
Mr A Greenway	EC and Governor with special interest for GDPR
Mr H Kimberley	Chair of F&GP
Mr P J Lee	F&GP and Staff Liaison at RGS Springfield from 08/12/2016
Ms K Meredith	Chair of EC, NC and Governor with special interest for the Foundation Stage to 07/12/2017
Mrs S Mills	EC and Governor with special interest for Safeguarding from 09/02/2017
Mr J E Peters	EC, NC, CCF and Staff Liaison at RGS The Grange
Mr B W Radford	F&GP and Governor with special interest for Health and Safety
Dr E Robinson	EC
Mrs R Wyatt	Governor with special interest for Early Years appointed 28/08/2018

Finance and General Purposes Committee (F&GP), Education Committee (EC), Nominations Committee (NC)

7. The **Principal Officers** of the Charity during the year were:-

Mr J D Pitt	Headmaster, RGS Worcester
Mr G W Hughes	Headmaster, RGS The Grange
Mrs L Brown	Headmistress, RGS Springfield
Mr I T Roberts	Director of Finance and Operations, Clerk to the Governors and Company Secretary

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
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**8. Advisers to the School:-**

Bankers & Investment Managers	Lloyds Bank plc 4, The Cross, Worcester, WR1 3PY
Auditors	Crowe U.K. LLP Black Country House, Rounds Green Road, Oldbury, B69 2DG
Solicitors	Stallard March and Edwards (SME Solicitors) 8, Sansome Walk, Worcester, WR1 1LW
Insurance Brokers	Hettle Andrews & Associates Limited. Eleven Brindleyplace 2 Brunswick Square Birmingham B1 2LP

9. **Governing Document.** Memorandum and Articles of Governance adopted on incorporation on 17 May 2007 as amended by Special Resolution dated 27 June 2013.
10. **Governing Body.** The Governors are listed on page 1 of this Report.
11. **Recruitment and Training of Governors.** New Governors are normally appointed at termly meetings on the basis of nominations from a committee of Governors. All nominations are made on the basis of eligibility, personal competence, specialist skills and availability. New Governors undertake a formal induction process under the guidance of a fellow Governor which covers the workings of the Charity, including Policies, Procedures, Finances, the Clerk to the Governors and Governance.
12. **Organisational Management.** The School Charity is organised and managed in accordance with Articles of Governance, produced by the Governors, to control the general educational character of the School. The Governing Body meets at least once per term. The Board's policies are generally implemented by two main committees; the Finance and General Purposes Committee (F&GP) and the Education Committee (EC), both of which meet termly. Individual Governors are nominated to take a special interest in Safeguarding, Health and Safety, the Foundation Stage at each of the Prep Schools, CCF, Learning Development, GDPR and for staff liaison in each school. The Governors directly appoint the Heads and the Director of Finance and Operations. The Heads are each responsible to the Governors for the overall management of their school and the direction of teaching within the general policy and the delegated financial limits approved from time to time by the Governors. The Director of Finance and Operations is responsible directly to the Governors for the management of the grounds, buildings, plant, computing and IT, administration and finances of the School, and to support the Heads in the day to day running of their schools.

**Availability of Assets to fulfil Obligations**

13. It is the opinion of the Governors that the School is well placed to meet in full its current obligations.

**Statement of Governors' Responsibilities**

14. The Companies Act 2006 requires the Governors, as Trustees of the Charity, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of income over expenditure for that period.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**GOVERNORS' REPORT YEAR ENDED 31 August 2018**

15. In preparing these financial statements, the Governors should follow best practice and are required to:

- a. select suitable accounting policies and apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

16. The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Charity at any time, and to enable them as Trustees, to ensure that the accounts comply with charity law. The Governors are also responsible for safeguarding the Charity's assets and ensuring their proper application and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

17. The Trustees are aware of the new charity governance code issued in July 2017. A review will be undertaken of the guidance in order to ensure that the charity is working in line with the code, in all ways where it is practicable to do so.

18. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

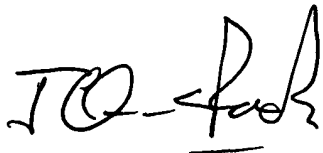
**Statement as to Disclosure of Information to Auditors**

19. The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**Auditors**

20. On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board on 6 December 2018, and signed on its behalf by:-



J Q S Poole  
Chair of Governors

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**STRATEGIC REPORT YEAR ENDED 31 August 2018**

**STRATEGIC REPORT**  
**Objectives and Activities**

- 1. Charitable Objects.** The objects of the School are the provision and conduct, in or near the City of Worcester, of a day or day and boarding school for boys and girls.
- 2. Aim and Intended Impact.** It is the General Policy of the Governors to provide for the pupils of the School a challenging intellectual atmosphere while making full provision for physical, cultural and moral development.
- 3. Objectives for the Year.** The primary objectives of the year have continued to be:
  - a drive for excellence across the three RGS Schools in the areas of academic, pastoral and co-curricular provision;
  - widening further the access to an RGS education for pupils from across the local social spectrum through increased bursary provision; and
  - further improving, where possible, our involvement with the local community, primarily through effective utilisation of School resources.
- 4. Strategies to achieve the Objectives.** A Strategic Development Plan has been put in place to focus our efforts on improving all of the School's core activities: academic achievement, pastoral care and co-curricular activities. This plan also incorporates The RGSW and AOS Foundation and the drive to ensure wider access to the School for pupils from all backgrounds. The School promotes wide community access to its facilities and an extensive programme of performing arts performances and exhibitions.
- 5. Principal Activities of the Year.** The Charity principally provides education in or near the City of Worcester at its three sites to boys and girls aged 2-18. There were, on average, 1,290 (2017: 1,253) pupils attending the School during the year, which provides Governors with confidence that the School is continuing to fulfil its objective of providing value for money in the provision of a first-class independent education.

**Grant Making Policy**

- 6. Bursary Policy.** The Governors wish to ensure that the opportunity for children to benefit from the education offered by the School is not unreasonably restricted by parents' ability to pay fees. Means-tested bursaries are made available in the form of a remission of up to 100% of the tuition fees payable, depending on the financial, compassionate or other pertinent circumstances of applicants. To ensure that people in genuine poverty are not excluded, as well as covering tuition fees, bursaries may be extended to cover or contribute towards the costs of such additional items as school lunches, uniform, travel costs, examination fees, equipment required for educational, sports or co-curricular activities and foreign exchange and other educationally important trips.
- 7. Priorities.** A number of factors will be considered when making the judgement as to the justification for support, and the extent of such support. In the main, a child's suitability for the School is the first consideration in granting a bursary. In assessing a child's suitability, attention will be given to their academic assessment, but potential will also be considered as well as actual achievement. Each applicant must meet the School's normal academic requirements and any pupil to whom support is offered must, in the opinion of the Head, be likely to make sound academic progress following admission and possess the potential to develop the quality of his or her work. A considerable degree of commitment and effort will be required and a good record of effort and behaviour in previous schools will be essential. Since RGS Worcester is a school of high academic standards it will normally follow that those achieving the highest results in the entrance examination will be deemed most suitable. Consideration will also be given to how a pupil might benefit from participation in the wider, co-curricular activities on offer at the School.

## THE ROYAL GRAMMAR SCHOOL WORCESTER

### STRATEGIC REPORT YEAR ENDED 31 August 2018

8. **Assessment.** Although the priority in making an award will be suitability, the amount will be based on financial need. Each case will be assessed on its own merits and awards are made accordingly, subject to available funding and the level of demand. It is recognised that judgements about what sacrifices a family should make to pay school fees will be personal and the scale of awards is therefore not rigid. However, the School has a duty to ensure that all bursary grants are well-focussed and so, as well as current earnings, other assets and lifestyle factors will be considered in determining the appropriate level of grant.
9. **Grants.** The Governors' grant-making policy is tempered by there being no significant endowment funds available to provide additional financial support; bursaries therefore must be provided out of fee income. The grant-making policy has been subject to ongoing review in recent years with a view to increasing the number and value of means-tested awards. The Governors feel a certain dilemma in this respect since they have attempted over the years to keep fees as low as possible, whilst at the same time ensuring the School has the means to provide an excellent education. This is manifest in the School's fees continuing to be lower than similar independent schools in or around Worcester, and below the national average. The Governors consider increases in fees to fund further bursaries to be unreasonable in that they would place further hardship on the many parents who already make significant sacrifices to pay for the advantages of an independent school education for their children. With this in mind, the Governors have established a Foundation with the long-term aim of raising School funds to support the allocation of more bursaries and for capital projects.
10. **Awards.** Scholarships, bursaries and other concessions totalling £1,353,045 (2017: £1,237,850) have been awarded during the year to a total of 446 (2017: 411) pupils. These awards included means-tested bursary awards to the value of £448,063 (2017: £427,160) distributed among 72 (2017: 73) pupils, 3 (2017: 4) of whom received 100% remission.
11. **Prizes.** The School has a Prize Fund, invested in the COIF Charities Investment Fund with a value at 31 August 2018 of £27,141 (2017: £25,320) which provides prizes under the Mytton and Blason Legacies. All other prizes are funded from the School's unrestricted funds.
12. **Public Benefit.** In setting objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit. The Governors achieve this through providing use of the School's facilities for a wide range of community events and activities and through outreach provision for pupils from local state schools.

Hiring and Use of Facilities. Approximately 50 local clubs (some noted below) have used the sports facilities for activities as diverse as yoga, dance and archery. The School has a partnership arrangement with Worcestershire County Cricket Club whereby they use the School's Flagge Meadow facility for some second XI matches and Flagge is also their fallback option for the first XI should their New Road facility be flooded.

Nick Chapman Fencing	Old Elizabethans Cricket Club	Activate Camps
ORB Football	Worcester Netball Club	Parent/Teacher Badminton Club
Worcester Athletics Club	The Art Fund	Droitwich Archery Society
WCB Indoor League	Droitwich Cricket Club	Worcester Archaeological Society
England Netball	Worcester Cricket Club (Youth)	Worcester Competitive Arts Festival
Football First	Indoor Walking Football	Hereford & Worcester Sports Council
Worcester Girls Grammar School	Worcester Nomads Cricket Club	Worcester Hockey Club
J G Hockey	Malvern Archers	Worcester County Cricket Club
Worcester Oldies Football Club	Worcestershire County Netball	Worcester Triathlon Club
Mum2Mum Markets	Yoga7	

We have also provided facilities to educational providers such as English Speaking Board (ESB) and Associated Board of the Royal Schools of Music (ABRSM). The School hosts lectures, dinners and awards events for the community and for our own alumni; as well as providing facilities for a number of local sports teams and activities involving members of the public and children from across Worcestershire. A Language School made use of RGS Springfield's facilities for five weeks over the summer holiday, attracting students to the area. RGS Worcester is an active member of the Herefordshire and Worcestershire Chamber of

Commerce, hosting their events when needed and has reached the National Finals of the Chamber of Commerce Awards, having been Regional Winner in the category Education and Business Partnership and reflects the work done by our Careers and other departments in forging links with local businesses. The School provides a number of Careers events for the locality including the annual Careers Expo held in the Trinity Term which was attended by 112 exhibitors including universities, local and national businesses, the military and engineering companies. Local State Schools were invited to attend.

**13. Outreach.** Outreach activities include assistance to local schools by sending RGS staff and pupils to support specific subjects and inviting pupils in to RGS Worcester or its Prep Schools for academic and co-curricular events and activities.

a. **RGS Worcester** outreach activities continued to grow significantly during the last academic year with twenty-one events held at RGS Worcester for twenty-seven local primary schools and 834 pupils. A major event was our involvement in the National 'Big Draw' event, which saw seventy young artists from six local primary schools participate in workshops to create school maps run by the RGS Worcester Art Department staff and their own teachers. The School welcomed other schools to events such as an Art & Dance Workshop (Rivers MAT Schools), a Humanities Experience Morning, an MFL Culture & Language Morning, a Drama Workshop, two Netball Skills Workshops, a Promenading English Writing Event and a tea for a local care home and alms house residents. In addition, RGS staff and pupils visited local schools to give six assemblies for Years Five and Six pupils and attended eight Post 16 Fayres.

b. **RGS The Grange** hosted eight Outreach Events welcoming 199 pupils from eight local schools. The programme of events included two Team Building Mornings using indoor and outdoor facilities and a Football and Netball Festival.

c. **RGS Springfield** provided a venue and transport for local nurseries to do "Forest School" activities at the School and supported other nurseries to attend inset training on relevant issues. Seven local nurseries have visited and been visited or worked with RGS Springfield throughout the year. A Mother and Toddler group is held every week for local parents.

#### 14. Review of Achievements and Performance for the Year

a. **Performance.** The RGS family of schools (RGS Worcester, RGS Springfield and RGS The Grange) were inspected by the Independent Schools Inspectorate (ISI) in March 2015 and each school was classified as 'Excellent' in all areas of performance (this is the highest grade). The Early Years Foundation Stages in each of the Prep schools (which are judged by Ofsted criteria) also received the top grade of 'Outstanding'. In March 2018, all three schools were subject to an ISI Compliance Inspection and each school passed this without further recommendation.

b. **Academic Achievements.** At GCSE some 31.1% of all examinations were passed at the highest level 9-8/A\*, with 52.4% 9-7/A\*-A which is well above national average of 20.5%. Overall, RGS achieved a 95.9% pass rate at 9-4/A\*-C again, well above national average of 66.9%. At A Level, the pupils achieved a 34.6% A\*-A and an A\*-B pass rate of 71.3%. Given these good results, five Oxbridge candidates achieved their entry requirements and the majority of the year group took up their places at their first-choice universities and 4 students took up places on Higher Level Apprenticeships.



## 15. Cultural Activities

- a. **RGS Worcester** provided a considerable range of cultural activities during the academic year. In Drama, the Senior School production of *'West Side Story'* was performed six times to sell-out audiences. This was followed by the DIY Theatre Company's adaptation of W H Golding's *'Lord of the Flies'*. The Lower School performed a technically advanced in-house adaptation of *'Flash Gordon'*. The School entered the Shakespeare's Schools Festival with a student-led production of *'King Lear'*. There was a significant number of theatre trips to productions including *'Jane Eyre'*, *'Coriolanus'* and *'Nativity!'*. In Music, there were sixteen concerts held over the year including the Carol Service and the Choral Concert in Worcester Cathedral. The latter featured performances from all three RGS schools and 120 singers of all ages performed Handel's *'Nelson Mass'*. The School again held the Senior Piano concert with eight pupils performing at Grade 7 and above alongside Maya Irgalina and there were various tea-time concerts, a Sixth Form showcase, *'Jazz on the Lawn'*, and a Cabaret evening. The Chamber Choir sang Evensong at Worcester, Hereford and St Paul's Cathedrals.

The Creative Arts Evening included an extensive display by the Art Department, Dance, a Fashion Show and a Gymnastics display. The School once again staged the Worcester Competitive Arts Festival and the Regional Young Fashion Designer of the Year UK Competition, both competitions are for the public and include competitors from state-maintained schools. Debating had an outstanding year, with RGS debaters winning the Cardiff Schools Novice Finals, winning the Birmingham Schools, qualifying for the Oxford and Cambridge Finals and winning the West of England English Speaking Union. Younger debaters won the Worcestershire Cup and qualified for the finals of International Competition for Young Debaters. The Gardening Club provided a show garden for the RHS Malvern Spring Festival, winning a first prize and commendation. The School's Land Rover 4X4 Competition Team competed in the World Finals for the second year representing Great Britain. This year's Final was held in Abu Dhabi and RGS Worcester came 7<sup>th</sup> overall.

- b. **RGS The Grange** pupils have been very active during the year taking part in a variety of cultural events and activities. Some of the year's highlights were the magnificent Christmas Carol Service at Worcester Cathedral, followed by choirs having the inspirational experience of joining the Senior School to perform Haydn's *'Nelson Mass'*. Our choirs also went on to perform successfully and win at the Worcester Arts Festival and at the Three Counties Show at Malvern. The innovative production of *'The Wizard of Oz'* by Year Six brought to a close a year of drama and performance that included amazing nativity plays, Star Search, the Poetry Declamation Competition and Shakespeare and French drama workshops. Indeed the calibre of our pupils excelling in the Performing Arts is shown by four of our pupils taking to the stage at RSC Stratford and being part of the cast in their latest production of *Macbeth*.
- c. **RGS Springfield** pupils were involved in all manner of events and activities including a wide range of arts and drama. We saw the usual round of informal and formal performances of music and drama as well as concerts at Worcester Cathedral, the Carol Service, an outdoor nativity with real donkeys and harvest assemblies with food donations given to the Women's Refuge and St Oswald's. Children also participated in drumming workshops, dance performances and house competitions. Every child took part in a production in the age groups from the Nursery to Year Two, and all children in Key Stage Two took part in a concert and most took part in a memorable performance of *'Peter Pan'*.

## 16. Trips and Expeditions.

- a. **RGS Worcester** offered 172 trips over the year. Destinations included NASA, Florida for Science and the German department took a trip to the Cologne Christmas markets. Year Nine Computing pupils went to the History of Computing Museum at Bletchley Park, Year Eight spent an educational day at the National Space Centre, whilst Year Seven enjoyed the Cheltenham Science Festival. We marked 30 years of the annual French exchange with our partner school in Nantes. Outdoor trips and camps were experienced by all three sections of the Combined Cadet Force to Warcop, the Isle of Mann, Plymouth, St Davids, RAF Brize Norton and RAF Cosford. The Duke of Edinburgh Award involved trips to Hay-on-Wye, the Peak District, the River Tay and Summer Isles for the Bronze, Silver and Gold Awards. Pupils from Year Nine to Ten also went to Sestriere for a skiing trip in February.

- b. **RGS The Grange.** All Year Groups, including Pre-School had the opportunity for off-site visits throughout the year and Years Two to Six went on residential visits at different times of the year: Year Two visited PGL in Ross on Wye, Year Three had outdoor experiences at Mill on the Brue in Somerset, Year Four visited Bushcraft in Oxfordshire, Year Five went to Edale in the Peak District and Year Six ventured to France. There was the bi-annual ski trip to Italy for our Year Six. Other outings throughout the year included various year group visits to local theatres in Malvern, Birmingham and Stratford, support for the Science curriculum with Year Five going to the National Space Centre in Leicestershire, historical exploration at Blists Hill for Year Six, Chedworth for Year Four and Year Three's visit to the Ashmolean Museum, Oxford. The annual Year Six rugby and hockey sports tour to Hertfordshire is a highlight for many Year Six pupils.
- c. **RGS Springfield** pupils had many experiences to support their curriculum and personal development including a whole school 'Forest School Day', trips to local museums, theatres and historic sites and geographical field trips. Residential trips included a visit to Malvern Outdoor, a residential centre for Year Three and Four pupils, a trip to Osmington Bay in Dorset including a chance to try sailing for Year Five and Six and camping in the Forest of Dean for Year Six.

## 17. Sports

- a. **RGS Worcester** teams played nearly 900 fixtures over the course of the academic year. Teams represented RGSW in rugby, netball, football, hockey, cricket, rowing, athletics, rounders, cross country, fencing, tennis, show jumping and dance. Highlights included the three 'varsity' matches. The 1<sup>st</sup> XV won the rugby and the 1<sup>st</sup> XI drew the football match, both of which were held at Sixways Stadium. There was a narrow loss in the 'Superball' Netball match staged at the University of Worcester Arena for the fourth year. These matches played collectively to around 5,000 local people. The Senior Rugby Squad had their bi-annual tour to South Africa. In Netball, Under 12 and Under 13 teams won the City and County Tournaments, the Under 14 and Under 18 teams progressed to the regional rounds and 6 netballers were selected for the Wasps and Severn Stars academies. In Hockey, the Under 12 and Under 13 teams won the County Tournaments whilst the Under 14 and Under 16 teams reached their Regional rounds. The Under 16 Indoor and Under 13 Outdoor teams reached the National Finals this year.

The 'Niche Sport' programme continued to support National success and representation in areas such as Fencing, Cross-Country, Modern Biathlon and Pentathlon, Judo, Swimming and Weightlifting. For example:

Athletics: 24 pupils qualified for the County Championships and one pupil went on to qualify for the English Schools' Mason Trophy. The Junior (Year Seven and Eight) and Inter (Year Nine and Ten) Girls came first and second respectively in the ESSA Competition and this put them both through to the A finals. The Junior and Intermediate boys achieved a 2nd and 3rd place finish respectively. One Sixth Form pupil finished 8th at the England Athletics National Under 20 Championships which ranks him as the fastest 3,000m steeple-chaser in his year group in the UK.

Fencing: a Year Eleven pupil took part in the British Junior (Under 20) Women's Epee squad, selected to fence in Laupheim in October, Luxembourg and Burgos in December and Bratislava in February. She was also offered a chance to fence for the Senior Women's Epee squad in La Havane in January. She is now a regular member of the Welsh Senior Women's team, fencing with them to win second place in the Five Nations Fencing Championships in November. In April she was selected to fence for the Welsh Senior Women's Epee team in the Commonwealth Championships to be held in Canberra later this year. A Year Ten pupil finished as the top Under 17 Cadet in the Senior Men's Open Fencing competition. He also finished 6<sup>th</sup> nationally in the Leon Paul 'Grand Final' for his age group.

Pentathlon: a Sixth Form student finished 5<sup>th</sup> in an international competition in Under 19 Modern Pentathlon.

Judo: A Lower School pupil competed on behalf of RGS at the National HMC Independent Schools Judo Tournament and became the National Champion.

Swimming: A Lower School pupil won her first senior swimming cap for Wales, competing in France. She swam in 6 events, reaching the final in all 6 of them.

Weightlifting: One pupil became the Under 17 British Champion.

- b. **RGS The Grange's** sports programme was wide and varied. Children had the opportunity to enjoy rugby, hockey, netball, football, cricket, rounders, fencing, karate, golf, cross country, athletics, dance, gymnastics, tennis, and ballet over the course of the year. Our school achievements in 2017/18 included: In2Hockey Under 11 County Champions; Under 10 Winter Games Cross Country National Finalists, Under 11 National Netball Finalists, Under 11 National Athletics finalists including 2<sup>nd</sup> and 3<sup>rd</sup> place in Discus and Shot Putt respectively and Under 11 National Cricket Champions.
- c. **RGS Springfield** sporting activity included football, rugby, cricket, hockey, netball and rounders. There were 33 girls matches, 28 boys matches and 6 mixed matches during the year. New sports such as basketball were introduced into the PE curriculum. Clubs such as riding, Yoga and karate proved popular as well as cheerleading. Our cheerleading team performed in front of a sell-out crowd of 2,000 people at Worcester Wolves.

## 18. Charity Fundraising.

- a. **RGS Worcester** Charity fundraising plays an important part in the community life of RGS Worcester and £15,974 was raised for a variety of local, national and international charities over the course of the academic year including St Richard's Hospice, Worcester, Comic Relief, Mind, The Teenage Cancer Trust, the NSPCC, Royal British Legion's Poppy Appeal and Worcester Snoezelen, Acorn Children's Hospice, the Myriad Centre and many more. RGS Worcester also proudly took part in 'Worcester Stands Tall' raising funds and the profile of the charity, St Richard's Hospice. Pupils raised funds at school and with the assistance of the Alumni Association took part in this community project. The RGS Worcester sponsored giraffe was put on display in Worcester over the summer and at the auction in October 2018, the charity raised a total of £210,400 which included the sale of the RGS Giraffe designed (with the assistance of RGS Pupils) and painted by Peter Horacek.
- b. **RGS The Grange** Over the past year with the help of parental generosity, the School have raised over £8,000 for various local and national charities including the NSPCC, Worcester Snoezelen, Worcester Foodbank, Cancer Research, Children in Need, Jeans for Jeans and Place2Be.
- c. **RGS Springfield** charities this year were again chosen by pupils and their families: Birmingham Children's Hospital Charity, WaterAid, The Children's Society, Children in Need and Sport for Champions. £3,514 was raised through sponsored events, cake sales, mufti days and a fun run.

**19. Financial Position.** The Governors consider the School is in a very sound financial position. An amount of £2m (2017: £465,000) was approved by the Governors and spent in year as part of the major infrastructure refurbishment and sustainability programme.

**20. Administration Costs.** The costs for the administration of the Charity at £111,356 (2017: £104,013), remain at less than 1% of the total net income for the Charity of £13,882,175 (2017: £13,360,801).

**21. Reserves Policy.** The Free Reserve position remains healthy but shows a decrease of £1,330,000 due mainly to the expenditure on the new Performing Arts Centre and Phase one of the Dining upgrade project. The Governors' policy is to manage the finances of the School in such a way as to generate sufficient Free Reserve to meet the current development plans whilst maintaining prudence given the prevailing economic climate. The Governors consider that free reserves in the order of £2m, or approximately 2 months operating costs would be desirable, subject to the prior demands of further capital expenditure needed to achieve the School's strategic plan.

**Free Reserves, excluding pension deficit**

	2018 £000	2017 £000
Unrestricted Funds	19,173	19,172
Less Fixed Assets	(19,272)	(18,066)
Endowments	226	236
Restricted Funds	59	193
Pension deficit	858	839
	-----	-----
	1,044	2,374
	=====	=====

**22. Investment Policies.** The Governors employ a low risk investment strategy.

- a. **The Alice Ottley Bursary Fund (formerly RGS Permanent Endowment).** This fund was renamed in 2013 for the purposes of the Development Office. In December 2017, the original COIF units (12,688) reverted to being the Permanent Endowment and the additional units (1,718) that had been purchased with donations for the AO Bursary fund were transferred to The RGSW & AOS Foundation. The Permanent Endowment remains registered as RGS Charity 527527, and the Company remains as the Trustee, with funds of £198,914 (2017: £210,691) held in COIF Charities Income Funds. Similarly invested are the endowments of the Prize Fund valued at £27,141 (2017: £25,320).
- b. **The Anthony R Wheeler Bursary Fund.** This fund was designated in May 2013 with the legacy from a former Master of the School. In December 2017, the funds, valued at £355,335 (2017: £353,375), held in COIF Charities Income Funds, were transferred to The RGSW & AOS Foundation.
- c. **Deposited funds.** Prudent financial management has helped sustain a solid funding and liquidity base for the School. Deposits are held in the short term money market on various terms prior to their use for long term reinvestment in the School. Such deposits at 31 August 2018 were £2,250,000 (2017: £3,200,000).

## Future Developments

**23. Objectives.** The immediate key objectives within the current Strategic Development Plan are:

- Continue to facilitate the drive for excellence in all aspects of the School's operations.
- Enhancement of the RGS Worcester infrastructure and facilities.
- Further development of the Digital Learning Programme.

**24. Risk management.** The Governors continue the examination of the principal areas of the School's operations, in conjunction with the Strategy Group, reviewing the major risks faced in each of these areas on at least a termly basis. A formal review of the Charity's risk management processes is undertaken annually. Where appropriate, the Governors allocate resources and establish review systems to allow these risks to be monitored and mitigated to an acceptable level in day-to-day operations of the School.

The main controls include;

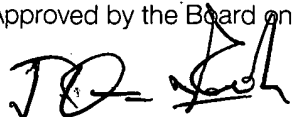
- formal agendas and minutes for all board and committee activities
- formal terms of reference for each committee
- strategic planning, detailed budgeting, management accounting and variance analysis
- formalised organisational structures
- written policies and procedures
- clear authorisation and approval levels
- segregation of duties in key control areas
- discouragement of payment of fees in cash
- vetting procedures for the protection of children
- close liaison with Senior Management and Staff
- training programmes
- whistleblowing procedures

The current most significant risks continue to be associated with maintaining sustainability of fee income against a challenging economic backdrop, managing a rising cost base, and the complexity associated with remaining compliant with all relevant requirements.

The Governors consider a significant source of financial risk to be that of the funding requirements of the various pension schemes for teachers and support staff which are impacted by factors outside the school's control. In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liabilities. Strategies are then considered accordingly.

25. **Key Management Personnel.** The Officers of RGS Worcester are the three Heads and the Director of Finance and Operations, collectively referred to as the Strategy Group. Their remuneration is reviewed annually by Governors at their Summer Board meeting. The process of review is led by the Chair of Governors, and is initially conducted in discussion with the three Chairs of the Governors' sub committees. The key inputs to this review are updated benchmarking data from third party sources and annual performance appraisals of each of the Officers. Recommendations are then made to the full Board of Governors.

Approved by the Board on 6 December 2018, and signed on its behalf by:-



J Q S Poole  
Chair of Governors

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL GRAMMAR SCHOOL WORCESTER**

Independent Auditor's Report to the Members of The Royal Grammar School Worcester

We have audited the financial statements of The Royal Grammar School Worcester for the year ended 31 August 2018 set out on pages 14 to 33.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and Auditor**

As explained more fully in the Statement of Governors' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Governors' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL GRAMMAR SCHOOL  
WORCESTER**


**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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

  
Helen Drew.  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

11-12-18

**THE ROYAL GRAMMAR SCHOOL WORCESTER**

**STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2018**

(including the Income & Expenditure account)

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2018 Total £000	2017 Total £000
<b>INCOMING RESOURCES</b>						
Income from Charitable Activities:						
School fees	1.	12,899	-	-	12,899	12,317
Other educational activities	2.	13	-	-	13	9
Other ancillary activities	2.	697	-	-	697	696
Other Income:						
Other incoming resources	2.	115	-	-	115	114
Investment income:	2.	17	1	-	18	53
Voluntary income:	2.	120	20	-	140	172
		-----	-----	-----	-----	-----
Total Incoming Resources		13,861	21	-	13,882	13,361
		-----	-----	-----	-----	-----
<b>EXPENDITURE ON:</b>						
Raising Funds:						
Fundraising Costs	3.	82	-	-	82	97
Other Expenditure:						
Grant to related charity: The RGSW& AOS Foundation		254	132	-	386	-
Charitable Activities:						
School		13,526	48	-	13,574	12,899
		-----	-----	-----	-----	-----
Total Expenditure	3.	13,862	180	-	14,042	12,996
		-----	-----	-----	-----	-----
<b>NET (OUTGOING)/INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS</b>		(1)	(159)	-	(160)	365
Transfers between funds	9.	-	25	(25)	-	-
Investment gains	9.	2	-	15	17	51
		-----	-----	-----	-----	-----
<b>NET MOVEMENT IN FUNDS</b>		1	(134)	(10)	(143)	416
Fund balances at 1 September		19,172	193	236	19,601	19,185
		-----	-----	-----	-----	-----
Fund balances at 31 August		19,173	59	226	19,458	19,601
		=====	=====	=====	=====	=====
All operations are continuing.						

The notes on pages 18 to 34 form part of these financial statements



**THE ROYAL GRAMMAR SCHOOL WORCESTER**

**STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2017**

(including the Income & Expenditure account)

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2017 Total £000	2016 Total £000
<b>INCOMING RESOURCES</b>						
Income from Charitable Activities:						
School fees	1.	12,317	-	-	12,317	12,025
Other educational activities	2.	9	-	-	9	9
Other ancillary activities	2.	696	-	-	696	556
Other Income:						
Other incoming resources	2.	114	-	-	114	98
Investment income:	2.	52	1	-	53	50
Voluntary income:	2.	41	131	-	172	367
		-----	-----	-----	-----	-----
Total Incoming Resources		13,229	132	-	13,361	13,105
		-----	-----	-----	-----	-----
<b>EXPENDITURE ON:</b>						
Raising Funds:						
Fundraising Costs	3.	97	-	-	97	70
Charitable Activities:						
School	3.	12,876	23	-	12,899	12,468
		-----	-----	-----	-----	-----
Total Expenditure		12,973	23	-	12,996	12,538
		-----	-----	-----	-----	-----
<b>NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS</b>						
		256	109	-	365	567
Transfer between Funds	9.	-	(5)	5	-	-
Investment gains	9.	30	-	21	51	42
		-----	-----	-----	-----	-----
<b>NET MOVEMENT IN FUNDS</b>		286	104	26	416	609
		-----	-----	-----	-----	-----
Fund balances at 1 September		18,886	89	210	19,185	18,576
		-----	-----	-----	-----	-----
Fund balances at 31 August		19,172	193	236	19,601	19,185
		=====	=====	=====	=====	=====
All operations are continuing.						

The notes on pages 18 to 34 form part of these financial statements

**THE ROYAL GRAMMAR SCHOOL WORCESTER**

Company reg. no. 6251081

**BALANCE SHEET at 31 August**

<b>FIXED ASSETS</b>	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
Intangible Assets for Operational Use	5a.	91	135
Tangible Assets for Operational Use	5b.	18,955	17,342
Investments	6.	226	589
		-----	-----
		19,272	18,066
<b>CURRENT ASSETS</b>			
Debtors	7a.	775	645
Stock		19	18
Cash at bank and in hand	7b.	442	720
Short term deposits	7b.	2,250	3,200
		-----	-----
		3,486	4,583
<b>CREDITORS: due within one year</b>	8a.	(2,225)	(1,982)
		-----	-----
<b>NET CURRENT ASSETS</b>		1,261	2,601
		-----	-----
<b>TOTAL ASSETS less NET CURRENT LIABILITIES</b>		20,533	20,667
		-----	-----
<b>CREDITORS: due after more than one year</b>			
Pension deficit funding liability	12b.	(858)	(839)
Fees received in advance	8b.	(217)	(227)
		-----	-----
		(1,075)	(1,066)
		-----	-----
<b>TOTAL NET ASSETS</b>		19,458	19,601
		=====	=====
Endowed Funds	9.	226	236
Restricted Funds	9.	59	193
Unrestricted Funds	9.	19,173	19,172
		-----	-----
		19,458	19,601
		=====	=====

Approved and authorised for issue by the Board of Governors, and signed on its behalf by:-



J Q S Poole  
 Chair of Governors  
 6 December 2018

The notes on pages 18 to 34 form part of these financial statements

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**CASH FLOW STATEMENT FOR YEARS ENDED 31 August**

	2018	2017
	£000	£000
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	1,057	1,026
<b>Cash flows from investing activities</b>		
Dividends and interest from investments	17	53
Proceeds from the sale of fixed assets	7	6
Purchase of intangible fixed assets	(2)	-
Purchase of tangible fixed assets	(2,687)	(828)
Purchase of investments	-	(50)
	-----	-----
Net cash used in investing activities	(2,665)	(819)
Change in cash and cash entitlements in the reporting period	(1,608)	207
Non-cash changes – transfer of investments to The RGSW & AOS Foundation	380	-
	-----	-----
Total cash and non-cash movements	(1,228)	207
	-----	-----
Cash and cash equivalents at the start of the year	3,920	3,713
	-----	-----
Cash and cash equivalents at the end of the reporting period	2,692	3,920
	=====	=====
<b>A. Reconciliation of cash flows from the operating activities</b>		
Net income for the year	(143)	416
Depreciation and amortisation charges	1,117	1,079
Dividends from investments	(17)	(53)
Increase in stock	(1)	(14)
(Increase) / decrease in debtors	(130)	252
Increase / (decrease) in creditors	225	(505)
Increase / (decrease) in pension deficit funding	27	(92)
Investment gains	(17)	(51)
Profit on sale of fixed assets	(4)	(6)
	-----	-----
	1,057	1,026
	=====	=====
<b>B. Analysis of cash and cash equivalents</b>		
Cash in hand	442	720
Short term deposits	2,250	3,200
	-----	-----
	2,692	3,920
	=====	=====

The notes on pages 18 to 34 form part of these financial statements

## **THE ROYAL GRAMMAR SCHOOL WORCESTER**

### **NOTES ON ACCOUNTING POLICIES FOR THE YEAR ENDED 31 August 2018**

**Legal Status.** The Company is registered at Companies House, Cardiff as a private company, limited by guarantee, registered number 6251081. The Company is also registered as a charity, number 1120644. The School operates on three sites; the senior school located in Upper Tything, Worcester, known as RGS Worcester; a preparatory school located in Britannia Square, Worcester, known as RGS Springfield; and a preparatory school in Claines, known as RGS The Grange. The registered address is Upper Tything, Worcester, WR1 1HP.

The objects of the School are the provision and conduct, in or near the City of Worcester, of a day or day and boarding school for boys and girls.

**Accounting Policies.** The following accounting policies have been used consistently in dealing with items which are considered material in relation to the School financial statements.

**Basis of Preparation.** The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102), and the Companies Act 2006.

The Royal Grammar School Worcester constitutes a public benefit entity as defined by FRS 102.

**Going Concern.** The Company has cash resources and currently has no requirement for external funding. The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

**Accounting Convention.** The accounts are prepared under the historical cost convention, as modified by the revaluation of investment assets. Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School.

**Freehold Buildings.** Cost shown in the Balance Sheet represents only expenditure incurred after the School became independent on 1 September 1983. The following, which are vested in the Official Custodian for Charities, as Scheduled in the 2008 Scheme for Charity 527527, are included at nil cost in the accounts: The Freehold of the School site and buildings, Whiteladies, Priory House and gardens, and Flagge Meadow. The School also has an uncosted interest in the River Sports Centre.

**Capitalisation and Depreciation.** Purchases of assets costing more than £1,000 and with a useful life of more than one year are capitalised at cost. Depreciation is provided on all tangible fixed assets, other than freehold land, on a straight line basis at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings	- 50 years
Motor vehicles and computers	- 5 years
Fixtures, fittings and equipment	- 8 years

**Investments** are included at valuation at the Balance Sheet date. Realised and Unrealised gains and losses on investments are shown on the Statement of Financial Activities.

**Scholarships and Bursaries.** Financial assistance is given to pupils in the form of Scholarships and Bursaries.

**Investment and Other Income.** This is accounted for on a receivable basis.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES ON ACCOUNTING POLICIES FOR YEAR ENDED 31 August 2018**

**Donations and Legacies Receivable.** Donations and Legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

**Net Tuition Fees Receivable.** Fees receivable are accounted for in the period in which the service is provided. They are stated after deducting bursaries, scholarships and other remissions granted by the School.

**Resources Expended.** Resources expended are accounted for on an accrual basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. Irrecoverable VAT is included with the item of expense to which it relates. Support costs are those costs incurred in the general running of the School. Governance costs comprise the costs of running the charity including external audit costs.

**Pension Schemes.** The School contributes to the Teachers' Pension Scheme (a defined benefit scheme) at rates set up by the Scheme Actuary and advised to the Governors by the Scheme Administrator. For non-teaching staff, the School contributes to The Pensions Trust FRP defined contribution scheme. The School also makes pension AVC contributions at a rate of 2% to the Pension Trust Growth Plan Scheme for 4 (2017: 5) members of staff who were previously members of the CARE 80 defined benefit scheme.

**Unrestricted General Funds.** These funds can be expended at the Governors' discretion in accordance with the Charitable Objects. They represent funds which have not been "earmarked" or "restricted" in any way.

**Designated Funds.** These funds represent funds which have been ring-fenced by the Governors for a specific purpose.

**Restricted Funds.** These include funds received from alumni with specific conditions for their use.

**Endowed Funds.** The Prize fund represents the Mytton and Blason Prize Funds and can only be expended in accordance with the wishes of the donors, with funds invested in income units of the Charities Official Investment Fund until required. The Alice Ottley Bursary Fund has been renamed The Permanent Endowment with funds invested in income units of the Charities Official Investment Fund.

**Taxation.** As a registered charity, the School is not generally liable to corporation tax on surpluses. For this reason, no provision for corporation tax has been included in the accounts.

**Liquid Resources.** Fixed term deposits of less than one year are included in the Cashflow Statement as liquid resources.

**Debtors.** Short term debtors are measured at the transaction price, less any impairment.

**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 School 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.

**Financial instruments.** The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

**Intangible assets.** Software costs are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Amortisation is charged as follows:

Amortisation of software and website development costs – 5 years.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES ON ACCOUNTING POLICIES FOR YEAR ENDED 31 August 2018**

**Critical accounting estimates and areas of judgement.** The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Pension deficit contribution. The School has entered into a commitment to provide deficit funding to The Pensions' Trust Care Scheme and The Pensions' Trust Growth Plan, of which it is a contributing employer. Under FRS 102, the fair value of the commitment is recognised. The calculation of the fair value of the commitment is subject to an assumption of the discount rate. The discount rate is determined by reference to market yields at the reporting date on high quality corporate bonds.

(ii) Recognition of legacies. The School recognises legacies when the economic benefit to the School is considered probable. Legacies can relate to cash or assets. Both require estimation if the legacy has not yet been received. The estimation of legacy income is based on information received from solicitors and a prudent approach is taken based on the information provided.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

<b>1. FEES</b>	<b>2018</b>		<b>2017</b>
	<b>£000</b>		<b>£000</b>
Gross Tuition Fees	<b>13,780</b>		13,121
Pupil Lunches	<b>528</b>		498
Other Fees	<b>270</b>		276
	<b>-----</b>		<b>-----</b>
Gross Fee Income	<b>14,578</b>		13,895
Less: Scholarships, Bursaries and other Remissions	<b>(1,353)</b>	<b>(1,238)</b>	
Less: Fees paid through Salary Sacrifice	<b>(326)</b>	<b>(340)</b>	
	<b>-----</b>	<b>-----</b>	
Total Remissions	<b>(1,679)</b>		(1,578)
	<b>-----</b>		<b>-----</b>
Net Fees	<b>12,899</b>		12,317
	<b>=====</b>		<b>=====</b>
	<b>2018</b>		<b>2017</b>
	<b>£000</b>		<b>£000</b>
<b>2. OTHER INCOME</b>			
<b>Other educational charitable activities</b>			
Registration Fees	<b>13</b>		9
	<b>=====</b>		<b>=====</b>
<b>Other ancillary activities</b>			
RGS The Grange Shuttle Bus	<b>24</b>		18
School Trips	<b>671</b>		674
Baby and Toddler Groups	<b>2</b>		4
	<b>-----</b>		<b>-----</b>
	<b>697</b>		696
	<b>=====</b>		<b>=====</b>
<b>Other incoming resources</b>			
Refund from private medical insurance	<b>1</b>		3
Counselling recovery	<b>14</b>		9
Lettings	<b>39</b>		26
Sale of Fixed Assets – Boat and Minibus	<b>4</b>		6
Solar FIT	<b>11</b>		8
Miscellaneous	<b>46</b>		62
	<b>-----</b>		<b>-----</b>
	<b>115</b>		114
	<b>=====</b>		<b>=====</b>
<b>Investment Income</b>			
Bank interest	<b>17</b>		52
Mytton and Blasson interest	<b>1</b>		1
	<b>-----</b>		<b>-----</b>
	<b>18</b>		53
	<b>=====</b>		<b>=====</b>
<b>Voluntary Income</b>			
Donations	<b>20</b>		131
Grants from the RGSW & AOS Foundation	<b>20</b>		-
Legacies	<b>100</b>		41
	<b>-----</b>		<b>-----</b>
	<b>140</b>		172
	<b>=====</b>		<b>=====</b>

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**3. RESOURCES EXPENDED**

	Staff Costs	Other	Depreciation & Amortisation	2018 Total	2017 Total
	£000	£000	£000	£000	£000
Costs of generating voluntary income	51	25	6	82	97
-----	-----	-----	-----	-----	-----
Charitable Activities					
Teaching Costs	7,333	501	464	8,298	8,030
Welfare	275	616	15	906	815
Premises	401	854	584	1,839	1,823
Support Costs of Schooling	789	1,860	42	2,691	2,027
Marketing and Advertising	74	146	6	226	204
-----	-----	-----	-----	-----	-----
	8,872	3,977	1,111	13,960	12,899
-----	-----	-----	-----	-----	-----
Total Resources Expended	8,923	4,002	1,117	14,042	12,996
=====	=====	=====	=====	=====	=====
Staff Costs				2018 £000	2017 £000
Wages & Salaries				6,943	6,646
Social Security Costs				652	623
Pension Contributions				984	935
Training & Expenses				54	50
Other Costs				290	299
				-----	-----
				8,923	8,553
				=====	=====
The average numbers of full time equivalent employees in the year were:				2018	2017
Teachers				109	105
Others				98	103
				-----	-----
				207	208
				=====	=====
The total headcount was 308 (2017: 326)					
The number of employees whose emoluments exceeded £60,000 were:				2018	2017
£60,001 - £70,000				2	3
£70,001 - £80,000				3	1
£80,001 - £90,000				-	-
£90,001 - £100,000				-	1
£100,001 - £110,000				1	1
£110,001 - £120,000				1	-
				-----	-----
				7	6
				=====	=====



**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**3. RESOURCES EXPENDED (continued)**

	2018 £000	2017 £000
Remuneration of key personnel including Employers' National Insurance and Employer's Pension contributions (considered to be the Governors and Principal Officers)	449	434
	=====	=====

During the year there were no redundancy or termination payments made (2017: £33,914)

For the 7 (2017: 6) employees with emoluments greater than £60,000, 6 (2017: 5) were in defined benefit schemes with associated employer contributions of £75,101 (2017: £63,148)

Neither the Governors nor persons connected with them receive any remuneration or other benefits from the School or any connected organisation for their services. Trustee indemnity insurance is included in the School's insurance cover at no additional cost. One Governor was reimbursed for travel costs amounting to £157 (2017: £nil)

**4. AUDITORS' REMUNERATION**

	2018 £000	2017 £000
Auditors' remuneration for audit services	12	12
Auditors' remuneration for payroll services	10	9
	-----	-----
	22	21
	=====	=====

**5a. INTANGIBLE ASSETS**

	Software (including website development) £000
<b>Cost</b>	
At 1 September 2017	236
Additions	2
	-----
As 31 August 2018	238
	=====
<b>Depreciation</b>	
At 1 September 2017	101
Charge for year	46
	-----
As 31 August 2018	147
	=====
<b>Net Book Amount</b>	
At 31 August 2018	91
At 1 September 2017	135

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

<b>5b. TANGIBLE FIXED ASSETS</b>	<b>Freehold Land</b>	<b>Freehold Buildings</b>	<b>Fixtures Fittings &amp; Equipment</b>	<b>Grounds Equipment &amp; Motor Vehicles</b>	<b>Assets in the course of construction</b>	<b>Total</b>
<b>Cost</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 September 2017	472	21,322	4,509	457	201	26,961
Additions	-	9	553	58	2,067	2,687
Disposals	-	-	(395)	(28)	-	(423)
	-----	-----	-----	-----	-----	-----
At 31 August 2018	472	21,331	4,667	487	2,268	29,225
	=====	=====	=====	=====	=====	=====
<b>Depreciation</b>						
At 1 September 2017	-	6,434	2,878	307	-	9,619
Charge for year	-	427	584	60	-	1,071
Disposals	-	-	(392)	(28)	-	(420)
	-----	-----	-----	-----	-----	-----
At 31 August 2018	-	6,861	3,070	339	-	10,270
	=====	=====	=====	=====	=====	=====
<b>Net Book Amount</b>						
At 31 August 2018	472	14,470	1,597	148	2,268	18,955
At 1 September 2017	472	14,888	1,631	150	201	17,342

The freehold buildings have a declared value for insurance purposes of £67m as at 31 August 2018.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**6. FIXED ASSET INVESTMENTS (UK Listed)**

<b>6a. THE ALICE OTTLEY BURSARY FUND</b>	<b>2018 £000</b>	<b>2017 £000</b>
Opening market value	<b>211</b>	187
Transfer to The RGSW & AOS Foundation	<b>(25)</b>	-
Purchases	-	5
Net gains on revaluation	<b>13</b>	19
	-----	-----
Closing market value at 31 August	<b>199</b>	211
	=====	=====
Historic cost at 31 August	<b>150</b>	170
	=====	=====

The above represents the total of The Alice Ottley Bursary Fund investments for the School Charity 527527 scheduled in the 2007 Scheme. The investments currently comprise COIF Income Units only. This has been renamed The Permanent Endowment and 1,718 units transferred to The RGSW & AOS Foundation.

<b>6b. THE ANTHONY WHEELER BURSARY FUND</b>	<b>2018 £000</b>	<b>2017 £000</b>
Opening market value	<b>353</b>	278
Transfer to The RGSW & AOS Foundation	<b>(355)</b>	-
Purchases	-	45
Net gains on revaluation	<b>2</b>	30
	-----	-----
Closing market value at 31 August	-	353
	=====	=====
Historic cost at 31 August	-	291
	=====	=====

The above represents the total of the Anthony Wheeler Bursary Fund which was comprised of COIF income units and has been transferred to The RGSW & AOS Foundation.

<b>6c. ENDOWED FUNDS Prize Fund</b>	<b>2018 £000</b>	<b>2017 £000</b>
Opening market value	<b>25</b>	23
Net gains on revaluation	<b>2</b>	2
	-----	-----
Closing market value at 31 August	<b>27</b>	25
	=====	=====
Historic cost at 31 August	<b>20</b>	20
	=====	=====

The above represents the total of the investments of the legacies to provide for the Mytton and Blasson Prizes. The investments currently comprise COIF Income Units only. These investments are included in the School Charity 527527 scheduled in the 2007 Scheme.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

<b>7a. DEBTORS</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Tuition fees and extras	422	329
Sundry debtors	125	30
Prepayments	228	286
	-----	-----
	<b>775</b>	<b>645</b>
	=====	=====
<b>7b. OTHER CURRENT ASSETS</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash at Bank and in Hand	442	720
Short Term Deposits	2,250	3,200
	-----	-----
	<b>2,692</b>	<b>3,920</b>
	=====	=====
<b>8a. CREDITORS due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Fees received in advance	876	712
Registration Deposits	131	134
Trade Creditors	666	628
Social Security & Other Taxes	162	156
Pension deficit funding liability (note 12c)	108	100
Other Creditors	204	191
Accruals	78	61
	-----	-----
	<b>2,225</b>	<b>1,982</b>
	=====	=====

Included in Other Creditors are amounts owing to the Teachers' Pension Scheme of £104,209 (2017: £96,626) and The Pension Trust of £34,379 (2017: £33,281).

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**8b. CREDITORS due after more than one year (excluding pension liability)**

Accrued liabilities in respect of fees received in advance:	<b>2018</b>	2017
	<b>£000</b>	£000
Within 2 to 5 years	<b>104</b>	72
Within 1 to 2 years	<b>113</b>	155
	-----	-----
	<b>217</b>	227
Within 1 year	<b>876</b>	712
	-----	-----
Balance at 31 August	<b>1,093</b>	939
	=====	=====
<b>The movements during the year were:</b>		
Balance at 1 September	<b>939</b>	1,166
Net cash movement	<b>1,037</b>	543
	-----	-----
	<b>1,976</b>	1,709
Amounts utilised in fee payment	<b>(883)</b>	(770)
	-----	-----
Balance at 31 August	<b>1,093</b>	939
	=====	=====

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**9. RESERVES**

	Balance at 1 September 2017 £000s	Incoming Resource £000s	Resources Expended £000s	Transfers between funds £000s	Investment gains £000s	Balance at 31 August 2018 £000s
<b>Endowment Funds</b>						
The Alice Ottley Bursary Fund	211	-	-	(25)	13	199
Prize Funds	25	-	-	-	2	27
	-----	-----	-----	-----	-----	-----
	236	-	-	(25)	15	226
	=====	=====	=====	=====	=====	=====
<b>Restricted Funds</b>						
Alumni Bursary (1)	29	-	(13)	-	-	16
Alice Ottley Bursary Fund	3	-	(28)	25	-	-
Mytton & Blason Prize Fund	-	1	(1)	-	-	-
Packmans Physics Prize	3	-	-	-	-	3
Alumni Bursary (2)	16	11	(12)	-	-	15
Alumni Fencing Support	-	2	(2)	-	-	-
AOOE Awards	-	1	(1)	-	-	-
Gardening Club	-	1	-	-	-	1
Grange Equipment	-	1	(1)	-	-	-
Alumni Support	22	2	(1)	-	-	23
Alumni Bursary (3)	12	-	(12)	-	-	-
ARW Bursary Fund	101	-	(101)	-	-	-
Digital Archive	2	-	(2)	-	-	-
Art Frames	-	2	(2)	-	-	-
Landrover Challenge	1	-	(1)	-	-	-
The Miriam Cross Scholarships	2	-	(2)	-	-	-
Sundry Support <£500	2	-	(1)	-	-	1
	-----	-----	-----	-----	-----	-----
	193	21	(180)	25	-	59
	=====	=====	=====	=====	=====	=====
<b>Unrestricted Funds</b>						
General Reserves	18,920	13,861	(13,608)	-	-	19,173
<b>Designated Funds:</b>						
The AR Wheeler Bursary Fund	252	-	(254)	-	2	-
	-----	-----	-----	-----	-----	-----
	19,172	13,861	(13,862)	-	2	19,173
	=====	=====	=====	=====	=====	=====

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**9. RESERVES continued**

Summary of Funds	Balance at 1 September 2017 £000s	Incoming Resources £000s	Resources Expended £000s	Transfers between funds £000s	Investment gains £000s	Balance at 31 August 2018 £000s
Endowment Funds	236	-	-	(25)	15	226
Restricted Funds	193	21	(180)	25	-	59
Unrestricted Funds	19,172	13,861	(13,862)	-	2	19,173
	-----	-----	-----	-----	-----	-----
	19,601	13,882	(14,042)	-	17	19,458
	=====	=====	=====	=====	=====	=====

**Endowment Funds:**

The Endowment Funds represent the invested endowments of the School. The Alice Ottley Bursary Fund has now been renamed the Permanent Endowment and 1,718 COIF income units transferred to The RGSW & AOS Foundation. The Permanent Endowment is listed in the Scheme for Charity 527527 of which the Company is the Trustee, plus the Mytton & Blasson Prize Fund. The Restricted Funds include monies from alumni for specific projects, including funds received for Bursary Funds.

**Restricted Funds:**

Alumni Bursary (1):- Two year bursary support from 2017/18.

The Alice Ottley Bursary Fund:- Monies received for investing in the AO Bursary Fund.

The Mytton & Blasson Prize Fund:- Is the income from The Mytton & Blasson Endowment which is used for annual academic prizes.

The Packman Physics Prize:- Is a donation received specifically to fund an annual £75 Physics award.

Alumni Bursary (2):- Two year bursary support from 2016/17.

Alumni Fencing Support:- Assistance towards costs of current pupil's fencing costs for 2017/18.

AOOE Awards:- Support for the annual pupil awards.

Gardening Club:- Donation and prize money for the Gardening club.

Alumni Support:- Support for Development Office.

Alumni Bursary (3):- Two year bursary support from 2016/17.

The AR Wheeler Bursary Fund:- Monies received for the ARW Bursary Fund. This Fund has now been transferred to The RGSW & AOS Foundation.

Digital Archive:- Donations towards the establishment of a digital archive.

Art Frames:- Monies received towards frames for the Art department.

Landrover Challenge:- Support for the Landrover Challenge.

The Miriam Cross Scholarship:- External support in memorial of a former pupil.

Sundry Support:- Monies <£500) for various projects.

**Designated Funds:**

The Anthony Wheeler Bursary Fund was set up in 2013 and has been designated by the Governors as a fund to generate bursarial support. This Fund has now been transferred to The RGSW & AOS Foundation.

**Transfers between funds:**

The transfer between funds relates to 1,718 of COIF units which were purchased, as restricted donations were received for the Alice Ottley Bursary Fund. These were recorded with the original endowment fund but should have been shown separately in restricted funds. The transfer between funds shows this correction. The Alice Ottley Bursary Fund in restricted funds was transferred to The RGSW & AOS Foundation in December 2017.

**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**9. RESERVES prior year**

	Balance at 1 September 2016 £000s	Incoming Resources £000s	Resources Expended £000s	Transfers between Funds £000s	Investment gains £000s	Balance at 31 August 2017 £000s
<b>Endowment Funds</b>						
The Alice Ottley Bursary Fund	187	-	-	5	19	211
Prize Funds	23	-	-	-	2	25
	-----	-----	-----	-----	-----	-----
	210	-	-	5	21	236
	=====	=====	=====	=====	=====	=====
<b>Restricted Funds</b>						
Alumni Bursary (1)	-	29	-	-	-	29
Alice Ottley Bursary Fund	2	6	-	(5)	-	3
Mytton & Blasson Prize Fund	-	1	(1)	-	-	-
Packmans Physics Prize	2	1	-	-	-	3
Alumni Bursary (2)	15	14	(13)	-	-	16
Alumni Fencing Support	-	3	(3)	-	-	-
AOOE Awards	1	-	(1)	-	-	-
Alumni Support	-	24	(2)	-	-	22
Alumni Bursary (3)	-	12	-	-	-	12
ARW Bursary Fund	67	34	-	-	-	101
Digital Archive	-	2	-	-	-	2
Victoria Dinner	-	1	(1)	-	-	-
Landrover Challenge	-	1	-	-	-	1
The Miriam Cross Scholarships	2	2	(2)	-	-	2
Sundry Support <£500	-	2	-	-	-	2
	-----	-----	-----	-----	-----	-----
	89	132	(23)	(5)	-	193
	=====	=====	=====	=====	=====	=====
<b>Unrestricted Funds</b>						
General Reserves	18,675	13,229	(12,973)	(11)	-	18,920
<b>Designated Funds:</b>						
The AR Wheeler Bursary Fund	211	-	-	11	30	252
	-----	-----	-----	-----	-----	-----
	18,886	13,229	(12,973)	-	30	19,172
	=====	=====	=====	=====	=====	=====



**THE ROYAL GRAMMAR SCHOOL WORCESTER**  
**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2018**

**9. RESERVES prior year continued**

Summary of Funds	Balance at 1 September 2016 £000s	Incoming Resources £000s	Resources Expended £000s	Transfer between Funds £000s	Investment gains £000s	Balance at 31 August 2017 £000s
Endowment Funds	210	-	-	5	21	236
Restricted Funds	89	132	(23)	(5)	-	193
Unrestricted Funds	18,886	13,229	(12,973)	-	30	19,172
	-----	-----	-----	-----	-----	-----
	19,185	13,361	(12,996)	-	51	19,601
	=====	=====	=====	=====	=====	=====

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets	Intangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	2018 Total	2017 Total
<b>The Net Assets are Funded as follows:</b>	£000	£000	£000	£000	£000	£000	£000
Unrestricted Funds	18,955	91	-	1,202	(1,075)	19,173	19,172
Restricted Funds	-	-	-	59	-	59	193
Endowment Funds	-	-	226	-	-	226	236
	-----	-----	-----	-----	-----	-----	-----
	18,955	91	226	1,261	(1,075)	19,458	19,601
	=====	=====	=====	=====	=====	=====	=====

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS prior year**

	Tangible Fixed Assets	Intangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	2017 Total	2016 Total £000
<b>The Net Assets are Funded as follows:</b>	£000	£000	£000	£000	£000	£000	
Unrestricted Funds	17,342	135	353	2,408	(1,066)	19,172	18,886
Restricted Funds	-	-	-	193	-	193	89
Endowment Funds	-	-	236	-	-	236	210
	-----	-----	-----	-----	-----	-----	-----
	17,342	135	589	2,601	(1,066)	19,601	19,185
	=====	=====	=====	=====	=====	=====	=====

## **11. CAPITAL COMMITMENTS**

Capital expenditure of £218,000 (2017: £2.8m) has been authorised and contracted for as at 31 August 2018.

## **12. PENSIONS**

### **12a. Teaching Staff**

#### **PENSION SCHEME**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £781,126 (2017: £738,554) and at the year-end £104,209 (2017: £96,626) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

### **12b. Support Staff**

The School has previously participated in both the CARE and Growth Plan defined benefit schemes independently administered by The Pensions Trust. Both these schemes have been closed to existing and new members. Members were initially moved to the CARE defined contribution scheme, but this was closed in March 2016 and all members were moved to the FRP defined contribution scheme also administered by The Pensions Trust. The FRP DC scheme has tiered employer contributions ranging from 10% to 13% (the same as the CARE DC scheme) and, at 31 August 2018, had 97 (2017: 99) members with a further 1 (2017: 1) pending having been auto-enrolled.

The pension cost charge amounting to £200,383 (2017: £195,005) represents the full contribution payable for the period by the School to The Pensions Trust for all pensions provided. At the year-end £34,379 (2017: £33,281) was accrued in respect of contributions to these schemes.

There are 4 (2017: 5) members of staff for whom a 2% employer AVC is paid into the Growth Plan. This obligation arises from an agreement made when a previous DB scheme was closed.

Both the CARE 80 and the CARE 100 Defined Benefit Schemes and the Growth Plan are multi-employer schemes and the schemes' actuary has advised that the assets and liabilities are not segregated for each contributing employer. Hence it is not possible to separately identify the assets and liabilities relating to The Royal Grammar School Worcester for the purposes of FRS102.

#### **CARE Defined Benefit Scheme**

RGS was notified by The Pensions Trust, of the estimated employer debt on withdrawal from The CARE Scheme, based on the financial position of the Scheme as at 30 September 2017. At this date the estimated employer debt for RGS was £2,633,338 (Sep 2016: £3,736,029).

It was agreed that from 1 April 2012, additional annual contributions towards the Scheme's deficit of £8,900, increasing by 3% per annum for the next 10 years, would be payable by The Royal Grammar School Worcester. This plan was superseded by a revised deficit repayment plan commencing 1 July 2015 covering the period to 30 April 2027. A total of £1,152,000 per annum, increasing on 1 July each year by 3% is required. RGS Worcester's share of these deficit contributions from July 2016 is £46,206 per annum, payable in monthly instalments of £3,850. In addition, a total amount of £176,586 per annum, increasing on 1 July each year by 3% is required for Scheme expenses. RGS Worcester's share of these Scheme expenses from July 2016 is £7,080 per annum, payable in monthly instalments of £590. This last plan has now also been superseded and with effect from April 2018, the annual contributions to the deficit payable by The Royal Grammar School Worcester are £53,057 per annum, increasing at 3% annually plus £6,215 for Scheme expenses. The total of deficit payments paid in the year was £56,714 (2017: £53,554).

RGS have been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2017. At this date the estimated employer debt for RGS was £726,188 (Sept 2016: £839,804).

The deficit contributions were reduced from 1 April 2016, and the additional contributions towards the scheme's deficit from April 2016 are now £49,839 per annum (increasing by 3% each 1 April) and will be payable by The Royal Grammar School Worcester for a period of ten years. The total paid in the year was £51,976 (2017: £50,462 – the year to March 2016 was at the higher rate).

#### **12c. FRS (102) Section 28 Pension Deficit Provisions**

	<b>2018</b>	2017
	<b>£000</b>	£000
CARE Scheme	<b>574</b>	494
Growth Plan	<b>392</b>	445
	<b>-----</b>	-----
Of the totalled combined deficit of £966,000 an amount of £108,000 is due within one year	<b>966</b>	939
	<b>=====</b>	=====

### 13. FINANCIAL INSTRUMENTS

	2018 £000	2017 £000
Financial assets measured at amortised cost	3,239 =====	4,279 =====
Financial assets measured at fair value through income and expenditure	226 =====	589 =====
Financial liabilities measured at fair value through income and expenditure	966 =====	939 =====
Financial liabilities measured at amortised cost	1,079 =====	1,014 =====

Financial assets measured at amortised cost comprise investments, other debtors, bank and short term deposits.

Financial liabilities measured at fair value through income and expenditure comprise the defined benefit pension scheme deficit funding liability.

Financial assets measured at amortised cost comprise fees in advance, fee deposits, trade creditors, other creditors and accruals.

### 14. RELATED PARTIES

Sally Mills, a Governor, provided consultancy services during the year amounting to £160 (2017: £100). £nil was outstanding at the year end.

The RGSW and AOS Foundation is a connected party. In December 2017, the AR Wheeler Bursary Fund and the restricted element of the Alice Ottley Bursary Fund were transferred from the school to the Foundation. The AR Wheeler Bursary Fund was valued at £355,335 and the Alice Ottley Bursary Fund was valued at £25,266. £5,800 of other restricted funds were also transferred to the Foundation.

The Foundation made grants to the school in the year totalling £19,799 of which £10,000 related to the purchase of a rowing boat from the David Packman Rowing Fund and the rest is to be spent on bursaries.

An amount of £3,358 was owing from the Foundation to the School at 31 August 2018.

The School paid for the running costs of the Development Office, including salaries amounting to £82,000 and governance costs amounting to £1,556.