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ANNUAL REPORT FOR THE YEAR ENDING AUGUST 2020

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

**THE ROYAL GRAMMAR SCHOOL
WORCESTER**

A private company, limited by guarantee

Registered No. 6251081

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ANNUAL REPORT

FOR THE YEAR ENDED

31 AUGUST 2020

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**THE ROYAL GRAMMAR SCHOOL WORCESTER
GOVERNORS' REPORT YEAR ENDED 31 August 2020**

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 four sites; RGS Worcester offering co-education for pupils aged 11 – 18, located in The Tything, Worcester; RGS Springfield offering co-education for pupils aged 2 – 11, located in Britannia Square, Worcester; RGS The Grange offering co-education for pupils aged 2 – 11, located in Claines; and RGS Dodderhill offering girls only education for pupils aged 4 – 16, with a co-educational Nursery from aged 2.
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. On 30 April 2019 Dodderhill School, company number 00576888 and registered charity number 527599, donated all of its assets and liabilities to The Royal Grammar School Worcester. RGS Holdings Limited Company number 12364724 was incorporated in December 2019 to facilitate the establishment and operation of Worcester International Hockey Club Limited Company number 12366802 also incorporated in December 2019.
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 | Chair of Governors |
| Mrs R F Ham | Vice Chair of Governors |
| Mrs L Cook | EC, Staff Liaison at RGS Worcester and Governor with special interest for Learning Development |
| Mrs M J Cross | F&GP |
| 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 |
| Ms K Meredith | Chair of EC and member of the NC |
| Mrs S Mills | EC and Governor with special interest for Safeguarding |
| 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 K M Wormington | Staff Liaison at RGS Dodderhill |
| Mrs R Wyatt | Governor with special interest for the Foundation Stage |

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 |
| Mrs S E Atkinson | Headmistress, RGS Dodderhill |
| Mr I T Roberts | Director of Finance and Operations, Clerk to the Governors and Company Secretary |

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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 Association 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. **Liability Insurance.** Governor and Individual Liability insurance is provided with a cover of £5m.

13. **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.

14. **Employee Involvement and Equal Opportunities.** Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The School carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees. The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- a. Equal Opportunities Policy
- b. Health & Safety Policy

In accordance with the School's Equal Opportunities Policy, the School has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the School's offices.

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Availability of Assets to Fulfil Obligations

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

Statement of Governors' Responsibilities

16. 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.
17. 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.
18. 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.
19. The Trustees delegated authority to the Nominations Committee (NC) to assess the Board's adherence to the charity governance code issued in July 2017. Following a review of the seven principles underpinning the code the NC concluded that the RGSW Board is adhering to all of the principles. The Board unanimously endorsed this assessment at their June 2019 Board meeting. The next review will be conducted in November 2020.
20. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

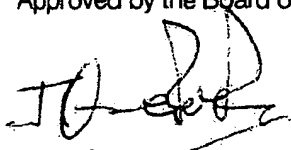
Statement as to Disclosure of Information to Auditors

21. 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

22. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor

Approved by the Board on 3 December 2020, and signed on its behalf by:-



J Q S Poole
Chair of Governors

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STRATEGIC REPORT YEAR ENDED 31 August 2020

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 four 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 and Droitwich at its four sites to boys and girls aged 2-18. There were, on average, 1,408 (2019: 1,302) 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.
6. **RGS Dodderhill.** The focus at RGS Dodderhill has been on securing its future through a merger and subsequent integration with the RGS Family of Schools in April 2019. The excellent GCSE results and other numerous successes achieved in and out of the classroom attest to the early success of the merger.

Grant Making Policy

7. **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.
8. **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

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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.

9. **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.
10. **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 for comparable schools. 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 established a Foundation with the long-term aim of raising School funds to support the allocation of more bursaries and for capital projects.
11. **Awards.** Scholarships, bursaries and other concessions totalling £1,785,409 (2019: £1,554,237) have been awarded during the year to a total of 489 (2019: 498) pupils. These awards included means-tested bursary awards to the value of £524,644 (2019: £468,447) distributed among 72 (2019: 76) pupils, 2 (2019: 3) of whom received 100% remission. The Governors authorised a further Covid-19 discount of £670,517 and hardship support of £38,842 was awarded to 19 families significantly affected by the Covid-19 lockdown; this was supported entirely from the RGSW and AOS Foundation's hardship fund.
12. **Prizes.** The School has a Prize Fund, invested in the COIF Charities Investment Fund with a value at 31 August 2020 of £29,625 (2019: £28,975) which provides prizes under the Mytton and Blason Legacies. All other prizes are funded from the School's unrestricted funds.
13. **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.

We continue to grow the number of local organisations who have used the facilities for activities as diverse as yoga, dance and archery. These include those listed below:

| | | |
|--------------------------------|--------------------------------|-------------------------------------|
| 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 |
| Mum2Mum Markets | Malvern Archers | Worcestershire County Cricket Club |
| Leagues4U Netball | Worcestershire County Netball | Worcester Triathlon Club |
| Droitwich Table Tennis | My Little Princess Parties | Virtue Dodgeball |

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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. Kingsway Language School regularly makes use of RGS Springfield's facilities for four weeks over the summer holiday, attracting students to the area, unfortunately it had to be cancelled this year due to Covid-19.

The School normally provides a number of Careers events for the locality including the annual Careers Expo held in the Trinity Term which, had to be cancelled due to Covid-19.

The use of facilities at RGS Worcester, RGS The Grange and RGS Dodderhill by a variety of external hirers continues to grow although we have been unable to capitalise upon the impetus generated previously to host further weddings this year. The partnership with Worcester Hockey club meant that the use of the astro turf pitch at RGS The Grange is regularly in use out of hours and other pitches at RGS The Grange are used by local clubs for football and other events.

13. **Outreach and Partnerships** activities include assistance to local schools by sending RGS staff and pupils to support specific subjects and inviting pupils into RGS Worcester and its Prep Schools for academic and co-curricular events and activities.
 - a. **RGS Worcester** held 46 Outreach events attended by 51 local state schools and over 1200 pupils. A highlight was hosting six local schools for an 'ExCELLent' Workshop to coincide with the National Big Draw Campaign. Deriving their inspiration from the forms of cells and bacteria, over sixty Year Five and Six pupils from The Rivers Academy Trust and our own schools produced large scale views through a microscope with mixed media and vibrant colours. Two Science 'Eggstravaganza' Events took place as part of the British Science Week initiative and 200 pupils from 13 local primary schools took part. The Sports Department hosted a hockey skills workshop and also a primary school netball tournament involving seven local schools. As part of RGS Worcester's ongoing community support, we have fostered a long-term relationship with the British Transport and West Mercia Police, allowing them access over the summer months for vital dog training sessions using the RGS Worcester site. We have also worked with Hereford and Worcester Fire and Rescue Service (HWFRS) to enable them to run a live training exercise at RGS Worcester which was aimed to conduct firefighting and breathing apparatus training. During the national lockdown the School's Design and Technology, Science and Textiles Departments combined to produce and donate PPE for the NHS and local medical providers, including 2,500 face visors, 338 goggles and 120 specialist scrubs.
 - b. **RGS The Grange** hosted three Outreach Events welcoming 150 pupils from local schools. The programme of events included an IT Workshop where pupils learnt to programme Spheros to drive them along a predetermined route, a rocket building science event and County cross country event.
 - c. **Holiday Club** had a buoyant first few months but we have faced challenges, not least by long term staff absence and then Covid lockdown. However, we managed to operate a successful summer holiday programme to RGS pupils only which, although the programme which was limited by numbers and what we could safely offer, we were full every day.
 - d. **RGS Springfield** provided a venue for local nursery staff forest school training and supported other nurseries to attend inset and cluster meetings on relevant issues. A Mother and Toddler group is held every week for local parents but this didn't happen once the school was closed under lockdown. Staff and children regularly prepare food for the local street kitchens to help local homeless people, served each Tuesday evening by staff. Links with Birmingham University and Birmingham Conservatoire have provided opportunities for local students to observe teaching practice, conduct research or to gain performance experience as well as provision for students from the University of Worcester for placements.

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- e. **RGS Dodderhill** Plans are in place to initiate an Outreach Programme working with local state schools through one event per term. The inaugural event in Michaelmas Term is a Girls Football Tournament. This was attended by three primary schools and two middle schools. In the Spring Term a Coding Event was planned with its aim to develop programming skills using Spheros, supporting the state school Computer Science curriculum. The Headmistress met with a number of local Heads over the course of the year and there were plans to offer some Music Outreach support to Cuttill Green in exchange for some Primary German teaching. Unfortunately this did not happen due to the Covid-19.

14. Review of Achievements and Performance for the Year

- a. **Performance.** 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. RGS Dodderhill was inspected in March 2017 by ISI for both compliance and educational quality and met all criteria for compliance and was judged outstanding in all areas of educational quality.
- b. **RGS Worcester Academic Achievements.** In what was a turbulent year for Public Examinations, RGS pupils achieved excellent grades at both GCSE and A Level. With the removal of the Algorithm based grades at A Level, pupils achieved 57.5% A*-A and 86.5% A*-B grades. Given these exceptionally strong outcomes, the majority of students were able to achieve their first-choice university places including Oxbridge. The BTEC students produced outstanding results this year with all achieving Merits and Distinctions across the board, allowing all to move on successfully to the next stages on their learning and employment pathways. At GCSE some 41.1% of all examinations achieved the highest grades 9-8, with 65.3% attaining grades 9-7. 100% of all pupils achieved grades in the range 9-4 meaning that all pupils passed all subjects with a recognised, strong GCSE grade.
- c. **RGS Dodderhill, Academic Achievements.** Following an unprecedented year, the final GCSE grades were awarded using Centre Assessed Grades or adjusted grades from the Examination Boards if higher. At GCSE, some 23% of all examinations were graded at the highest level 9-8, with 42% at 9-7 grades and 93% at 9-4 grades.

15. Cultural Activities

- a. **RGS Worcester** again provided a remarkable range of cultural activities during the academic year, and the creative life of the School was sustained during the lockdown period with drama rehearsals and music concerts continuing remotely at an impressive rate and level. The major dramatic production of 'Les Misérables' was a spectacular success and provided a fitting gala performance for the official opening of the School's new Performing Arts Centre. The School ran a series of theatre trips to productions ranging from the musicals 'Priscilla Queen of the Desert' at Cheltenham Everyman and 'The Boy in a Dress' at the RSC to moving pieces of work such as 'Museum in Baghdad' and 'The Whip', also at the RSC. Rehearsals of 'Macbeth' and 'Bugsy Malone' were already well advanced when the School had to revert to remote provision due to the national lockdown.

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The School's musical programme of informal concerts continued, with Years Nine, Ten, Eleven and Sixth Form each giving well-received soloists concerts in Perrins Hall. All the School's major choral and instrumental ensembles performed at the Autumn Concert in Perrins Hall, and the Chamber Choir again provided delicate musical reflection at St Richard's Hospice's annual 'Light of Love' service in Worcester Cathedral. Christmas was celebrated with 'Christmas with the Big Band' and the more traditional service of Lessons and Carols in the Cathedral, which was supplemented by a harpist and included performances by Junior Choir, Senior Choir, Chamber Choir and several female soloists. The Lent Term saw senior soloists perform at a lunchtime recital in Worcester Cathedral and the Wind Band win their class in the Worcester Competitive Arts Festival. The Chamber Choir followed up an earlier Evensong at Worcester Cathedral by leading the same service in Christ Church College, Oxford. The annual choral concert at Worcester Cathedral was cancelled due to Covid-19, but the RGS orchestra with players from RGS Dodderhill succeeded in performing a closed concert recording of Shostakovich's Second Piano Concerto with an Upper Sixth pupil as soloist.

The RGS Debating Society enjoyed a number of successes with three pairs reaching the Finals Day of the Oxford University competition and two pairs making the Finals of both Bristol Schools and Nottingham Schools competitions. A Year Eleven pair was crowned Champions at Bath Schools and the School won the regional round of the English-Speaking Union Public Speaking competition, retaining the Worcestershire Cup. An Upper Sixth student won the Worcestershire round of the Historical Association's Great Debate to reach the Windsor finals, and other teams qualified for the Regional Finals of the English-Speaking Union Mace competition and the International Competition for Young Debaters at the Oxford Union. The School has celebrated more success in the Young Fashion Designer UK competition which was run online for the first time. Several pupils were awarded 'Highly Commended' certificates and two pupils achieved Second Place in their respective age categories. The School's Greenpower team qualified for the International Finals at Silverstone in October. The team finished a remarkable 18th out of 90 qualified cars. In the Landrover 4x4 Challenge, a team comprising six Year Ten pupils managed to win both Best Track Performance and Best Engineered Vehicle in the Regional competition. They gained entry into the National Finals but the event was cancelled due to Covid-19. Lower Sixth students visited Worcester Cathedral to make photographic and sketch studies. These were then developed to form the 'Worcester Visions' exhibition in The Dean's Chapel, which showcased a diversity of approach and media, from printmaking to textiles and paintings in oils, and was open for the public to view.

- b. **RGS The Grange** pupils have been very active during the academic 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 as well as the annual Festive Nativity plays in Key Stage One. The choirs once again entered, and, for the second successive year, reached the Barnardo's National Finals performed at the Royal Festival Hall, London. Despite Year Six missing out on their annual school production, there were still a great many opportunities for children to develop their acting skills. Our third Performing Arts Week saw all Year Groups engage with a variety of drama workshops, the highlight of which was the Year Five 'Play in a Day' based on David Walliams' literature. In October, Year Three and Four once again performed in front of a large group of parents in their 'Creative Connections' show. LAMDA lessons have provided a large number of children with the opportunity to develop these important performing skills.
- c. **RGS Springfield** pupils were involved in all manner of events and activities including a wide range of arts and drama. There was the usual round of informal and formal performances of music and drama as well as concerts, the Carol Service, an outdoor nativity and harvest assemblies with food donations given to the Women's Refuge and the Street Kitchen. Pupils also participated in drumming workshops, and online events such as Cheltenham Science and Literature Festivals, Hay Literature Festival online, 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 radio style remote performance of 'Mary Poppins'. 20 pupils also performed at Worcester Arena in front of a sell-out crowd with our 'Springfield Allstars' Cheerleading group.

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- d. **RGS Dodderhill** provided a wide range of activities prior to lockdown, that enriched the School community. Music is a real strength and informal and formal concerts took place throughout the academic year. The Prep and Senior Virtual Concerts during lockdown were very well received. The Senior production of 'My Fair Lady' was performed in November 2019. The Prep production of Sherlock and Cinders was performed at the start of March, luckily before Lockdown. We celebrated Harvest and hosted our annual Carol Concert. Dodderhill pupils loved the joint RGSW school trip to the Bett Show in London, returning with many treasures.

16. Trips and Expeditions.

- a. **RGS Worcester** ran over 60 trips before the Covid-19 pandemic imposed travel restrictions preventing an even greater number of planned excursions. The MFL Department ran a French Exchange to Nantes and also a trip to visits the Christmas markets in Cologne. The English department ran a Gothic Tour of London; the History Society travelled to Berlin and the Drama department returned to the Minack Theatre in Cornwall. The Chamber Choir sang Evensongs at Worcester Cathedral and Christ Church College, Oxford and over the February Half term, 70 pupils and 8 staff enjoyed a week-long ski trip to Sestriere in Northern Italy. The Senior girls' hockey and netball squads travelled to Oxford and Wellington College for a mini tour and there was also a trip to watch the Super Sixes Indoor Hockey Finals and support Sally Walton, the School's Head of Hockey Coaching who was playing. Outdoor and adventurous enrichment continues to thrive at RGS Worcester through the School's CCF Sections which organised training and activities at Top Adventures, Aztec Watersports, RAF Cosford and the Army's Nesscliffe Training Area. The Duke of Edinburgh programme had nearly 140 pupils enrolled and over 40 Sixth Form students completed their Gold practice expeditions on the North Wales coast. Pupils participating in Silver travelled to Long Mynd near Church Stretton in Shropshire for their practice expedition and the Bronze contingent walked in and around Martley and Lower Broadheath, as well as on the Malverns.
- b. **RGS The Grange** all Year groups, including Pre-School had the opportunity for off-site visits until lockdown. Outings included various Year group visits to local theatres in Malvern and Birmingham. Reception enjoyed a festive trip to West Midland Safari Park. Year One learnt about how food is grown at Roots Farm and Year Two had a trip to the Living Rainforest to enhance their topic work on Rainforests. Year Three had a day of science at the Bristol Science Museum and Year Four enjoyed a Greek workshop supporting their work on Greek Mythology. Year Five learnt about local history at the Commandery in Worcester City and Year Six were taken to the Gurdwara to develop their understanding of Sikhism. The annual Year Six rugby and hockey sports tour to Hertfordshire is a highlight for many Year Six pupils and took place for the ninth year. Unfortunately, lockdown affected many of the other planned trips including all residential trips for Years Two to Six in the Trinity Term.
- c. **RGS Springfield** pupils had many experiences to support their curriculum and personal development including a whole school Healthy Mind and Body Day, Forest School Day, trips to local museums, theatres and historic sites and geographical field trips for at least some of the year. However lockdown adversely affected most of residential due to take place in the Trinity Term.
- d. **RGS Dodderhill** organised many trips and visits throughout the academic year until lockdown. Additionally, trips to the theatre and local pantomime were greatly enjoyed. Our younger pupils enjoyed visiting the local library. Unfortunately, the Year Six and Seven residential trip to Somerset was cancelled due to lockdown.

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17. Sports

- a. **RGS Worcester** teams played over 500 fixtures up until government restrictions brought about a premature end to the sporting year. Teams represented RGSW in rugby, netball, football, golf, hockey, rowing, cross country, fencing and show jumping. The Hockey club fielded A-F teams on three separate occasions at Under 12 level and the Under 13As reached the last 16 of their national competition. The Under 16 and Under 18 age groups, whilst achieving notable successes outside, excelled in the indoor game, with both teams reaching the National Indoor Hockey Finals. Three individuals were selected for the Junior Regional Performance Centres. The School's rugby teams played over 120 matches with the Under 13As losing only twice and winning their first 7s tournament at The Elms, and the Under 15As progressed to a National Quarter-Final. The 1st XV beat Colston's School for the first time in the School's history and registered a second consecutive win over Solihull School. In Netball, the Under 16s won the Worcester District Tournament and several girls won selection to the Wasps Hubs and Severn Stars Nova squads, including two who made it through to the Severn Stars Under 17 Long squad. The Superball match against King's Worcester had to be cancelled due to Covid-19. Rowing was unfortunately more about flood avoidance than competitive fixtures. In September, RGS hosted the Young Potentials Rowing Day with GB coach Dan Cooper. At Wydliffe Small Boats Head, RGS crews won two gold, three silver and a bronze medals. The Football season saw over 200 boys regularly training and representing the School across all age groups. After securing several well fought victories, the 1st XI started the Challenge Cup promisingly, however King's Worcester proved too strong, running out 2-0 victors. The match proved to be the last competitive fixture of the academic year.

Niche Sports:

- Two pupils were selected for the West Midlands Under 18 Fencing team at the Cadet Winton Cup and one pupil came third in the West Midlands Senior Championships.
 - One pupil reached the top of the County rankings at U12 Tennis.
 - One pupil in Year Ten, became U17 Champion at the National HMC Judo Tournament and went on to represent England at the Commonwealth Judo Championships, winning a Silver Medal.
 - One pupil finished 4th in the Under 14 National Indoor Archery Championships.
 - Two pupils competed in the Blenheim International Horse Trials for their Pony Clubs and helped their teams finish 10th and 9th in their respective competitions.
 - An Upper Sixth pupil having earlier in the year won the BWL Midland Youth weightlifting competition, represented Great Britain at Weightlifting at the EWF European Youth Championships in Israel in December.
 - The RGS Worcester Golf team progressed to the National Finals of the ISGA Plate Competition, however the Finals Day were unable to take place due to Covid-19.
- b. **RGS The Grange** sports provision once again focused on opportunity with all children in Year Three to Six enjoying their Games afternoons and access to fixtures against a wide range of local schools. With good numbers of children in all Year groups, we have had to adapt and at times play more than one school during the afternoon to ensure that every child has game time opportunity. Physical Education lessons saw a greater emphasis on pupil-led learning, with the use of 'time delay' filming, which allowed children to demonstrate skills and then watch themselves almost immediately after, with the aim to continue refining their skills. Clubs were very popular with a very wide range make available for the pupils.
- c. **RGS Springfield** sporting activity included football, swimming, rugby, cricket, hockey, netball and rounders. Matches were curtailed by the weather and lockdown and fewer matches took place this academic year as a consequence. Clubs such as riding, yoga and karate proved popular as well as Cheerleading. The Cheerleading team performed in front of a sell-out crowd of 1,800 people at Worcester Wolves. Swimming lessons for all pupils continue throughout the first two terms with pupils gaining recognised national badges and awards.

THE ROYAL GRAMMAR SCHOOL WORCESTER
STRATEGIC REPORT YEAR ENDED 31 August 2020

- d. **RGS Dodderhill Sport** has grown and developed this year. With additional coaching support the focus on hockey and netball, cricket, rounders, athletics and tennis. Sporting highlights included teams from three age groups in Under 11, Under 14 and Under 16 – playing in the ISA National Netball Finals. Each team finished just outside the medal places. The Under 16 Hockey team attended the ISA National Hockey Finals at the Olympic Park in London and came away with Bronze medals.

18. Charity Fundraising.

- a. **RGS Worcester** raised £17,769.39 for local and national charities in 2019/20 despite the inevitable impact that the Covid-19 pandemic had on charity fundraising throughout the country. £2,400 was raised for Oscar Saxelby-Lee, a 5-year old Worcester schoolboy with leukaemia, and the Charity Committee supported BBC Children in Need, Macmillan Cancer Support, the Royal British Legion's Poppy Appeal, The Myriad Centre and Sport Relief. Year groups also fundraised for the NSPCC, Worcester Snoezelen and Acorns Children's Hospice. The School again supported Wooden Spoon, the children's charity of rugby, and Help for Heroes. On their own initiative, small groups of Year Seven children organised their own fundraising events for Birmingham Children's Hospital, Worldwide Fund for Nature, The RSPCA and Worcester Community Trust. Harvest Festival donations from the Lower School were delivered to Maggs Day Centre and Worcester Foodbank benefitted from 20 boxes of food and toiletries donated by staff. During the period of remote learning, Mrs Sullivan, (Head of Rowing), the girls hockey squad and Dr Andrew (Assistant Head (Pastoral)) each raised well over £1,000 for The Myriad Centre, Worcestershire Acute Hospitals NHS Trust and CLIC Sargent respectively. The School also loaned 20 iPads for the Droitwich Spa Meeting Centre to help them support a local dementia group through the lockdown period.
- b. **RGS The Grange** raised over £5,000 for various local and national charities, despite lockdown. In the Michaelmas Term we supported marine conservation by sponsoring the Atlantic Ambition rowers who rowed across the Atlantic and we also supported the local fundraising initiative with Oscar's wristbands. Other charities for whom we raised funds include Water Aid and The British Heart Foundation.
- c. **RGS Springfield** charities this year were again chosen by pupils and their families but the fund raising activities were limited by lockdown and the charities will roll over to the next academic year.
- d. **RGS Dodderhill** charities this year, were NSPCC, Mind, Cancer Research, Autism West Midlands and Marie Curie. The Macmillan Coffee Morning in September, organised by the Year Eleven students, raised over £1,000. The Droitwich Food Bank was supported at Christmas and again at the start of Lockdown.

- 19. **Financial Position.** The Governors consider the School is in a very sound financial position with net assets of £23.8m (2019: £23.6m)
- 20. **Administration Costs.** The costs for the administration of the Charity at £122,685 (2019: 122,729), remain at less than 1% of the total net income for the Charity of £15,433,784 (2019: £18,758,693).
- 21. **Reserves Policy.** The Free Reserve position remains healthy and shows an increase of £834,000. 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. The Board are aware that the current free reserves of £1.3 million are below their ideal level of £2m, but are content that the ongoing surpluses being generated by the School are sufficient to address this in the short to medium term whilst also allowing for the significant infrastructure projects currently being explored.

THE ROYAL GRAMMAR SCHOOL WORCESTER
STRATEGIC REPORT YEAR ENDED 31 August 2020

| Free Reserves, excluding pension deficit | 2020 | 2019 |
|---|-----------------|-------------|
| | £000 | £000 |
| Unrestricted Funds | 23,534 | 23,293 |
| Less Fixed Assets | (22,907) | (23,599) |
| Pension deficit | 655 | 754 |
| | 1,282 | 448 |

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

- a. **The Permanent Endowment.** The Permanent Endowment remains registered as RGS Charity 527527, and the Company remains as the Trustee, with funds of £217,114 (2019: £212,355) held in COIF Charities Income Funds. Similarly invested are the endowments of the Prize Fund valued at £29,625 (2019: £28,975).
- b. **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 2020 were £3,000,000 (2019: £700,000)

Principal Risks and Uncertainties

23. **Teachers' Pensions:** During 2019/20 RGS Worcester conducted a consultation with the teaching body about remaining in the Teachers' Pension Scheme. This was brought about by the 40% increase in employer contributions to 23.68% applied in September 2019 and affordability thereof. The result of the consultation was that the Board agreed that RGSW would remain in TPS for the foreseeable future, with a second consultation likely if further employer contribution increases were applied. The cost of remaining in TPS was mitigated by an agreed two year pay freeze for teaching staff. As a result of the consultation, a DC scheme has been initiated which teachers can move to if they so wish.
24. **Covid-19:** As with other organisations, RGS Worcester was forced to close on 23 March 2020. With the School's Digital Learning Programme the move to remote learning was seamless. A full timetable was run throughout for Reception to Upper Sixth, the Nurseries were closed. Towards the end of June, the Board agreed certain discounted fee arrangements, reflecting the parental input required for remote learning by age group. These arrangements took account of the anticipated income lost at that stage (Nursery and Holiday Club) net of the savings the School was able to make.

The RGSW and AOS Foundation started a hardship appeal for those parents requiring assistance which was very successful and raised circa £90,000 through alumni and existing parents donating their Covid-19 fee rebates. A number of parents, who were particularly badly affected were offered Hardship support from this fund.

THE ROYAL GRAMMAR SCHOOL WORCESTER

STRATEGIC REPORT YEAR ENDED 31 August 2020

There is a continuing cost of Covid-19 to the School, not least for significant additional daily cleaning, the provision of materials for personal hygiene and additional resources to accommodate the required social distancing. The Board is satisfied that, notwithstanding the costs of all these measures, the School is able to meet the increased costs of operations and maintains a sound financial base to face the inevitable challenges ahead.

Future Developments

25. 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
- Continued integration of RGS Dodderhill into the RGS family of Schools
- Increase and explore other income streams

26. 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 non-teaching 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.

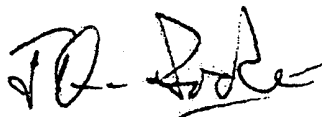
THE ROYAL GRAMMAR SCHOOL WORCESTER
STRATEGIC REPORT YEAR ENDED 31 August 2020

- 27. Worcestershire International Hockey Club Limited.** RGS Worcester has embarked on a joint venture with Worcester Hockey Club (WHC) to build an international standard hockey facility in Worcester. To facilitate this Worcester International Hockey Ltd (company registration number 12366802) has been established with RGSW Holdings Ltd and Worcester Hockey Club as equal shareholders.

The total investment required for the project is £2.9 million which will be funded by a combination of contributions from the sponsors and a loan from Lloyds Bank. Following construction, Worcester City Council will provide a 30-year loan which will be used to refinance the construction loan from the bank.

- 28. Key Management Personnel.** The Officers of RGS Worcester are the four 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 3 December 2020, and signed on its behalf by:-



J Q S Poole
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL GRAMMAR SCHOOL WORCESTER

Opinion

We have audited the financial statements of The Royal Grammar School Worcester for the year ended 31 August 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL GRAMMAR SCHOOL WORCESTER

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

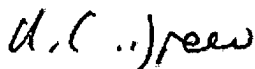
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMEBERS
OF THE ROYAL GRAMMAR SCHOOL WORCESTER**

Use of our report

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



Helen Drew

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

B69 2DG

Date: 2 February 2021

THE ROYAL GRAMMAR SCHOOL WORCESTER

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2020

(including the Income & Expenditure account)

| | Note | Unrestricted Funds £000 | Restricted Funds £000 | Endowed Funds £000 | 2020 Total £000 | 2019 Total £000 |
|---|------|-------------------------------|-----------------------------|--------------------------|-----------------------|-----------------------|
| INCOMING RESOURCES | | | | | | |
| Income from Charitable Activities: | | | | | | |
| School fees | 1. | 14,496 | - | - | 14,496 | 13,931 |
| Other educational activities | 2. | 16 | - | - | 16 | 14 |
| Other ancillary activities | 2. | 308 | - | - | 308 | 622 |
| Other Income: | | | | | | |
| Other incoming resources | 2. | 487 | - | - | 487 | 131 |
| Investment income: | 2. | 18 | 1 | - | 19 | 23 |
| Voluntary income: | 2. | 15 | 92 | - | 107 | 4,037 |
| | | ----- | ----- | ----- | ----- | ----- |
| Total Incoming Resources | | 15,340 | 93 | - | 15,433 | 18,758 |
| | | ----- | ----- | ----- | ----- | ----- |
| EXPENDITURE ON: | | | | | | |
| Raising Funds: | | | | | | |
| Fundraising Costs | 3. | 105 | - | - | 105 | 85 |
| Other Expenditure: | | | | | | |
| Grant to related charity: The RGSW& AOS Foundation | | - | - | - | - | - |
| Charitable Activities: | | | | | | |
| School | | 14,994 | 114 | - | 15,108 | 14,548 |
| | | ----- | ----- | ----- | ----- | ----- |
| Total Expenditure | 3. | 15,099 | 114 | - | 15,213 | 14,633 |
| | | ----- | ----- | ----- | ----- | ----- |
| NET INCOMING/(OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS | | 241 | (21) | - | 220 | 4,125 |
| Transfers between funds | 9. | - | - | - | - | - |
| Investment gains | 9. | - | - | 6 | 6 | 15 |
| | | ----- | ----- | ----- | ----- | ----- |
| NET MOVEMENT IN FUNDS | | 241 | (21) | 6 | 226 | 4,140 |
| Fund balances at 1 September | | 23,293 | 64 | 241 | 23,598 | 19,458 |
| | | ----- | ----- | ----- | ----- | ----- |
| Fund balances at 31 August | | 23,534 | 43 | 247 | 23,824 | 23,598 |
| | | ===== | ===== | ===== | ===== | ===== |
| All operations are continuing. | | | | | | |

The notes on pages 22 to 39 form part of these financial statements

THE ROYAL GRAMMAR SCHOOL WORCESTER

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2019

(including the Income & Expenditure account)

| | Note | Unrestricted Funds £000 | Restricted Funds £000 | Endowed Funds £000 | 2019 Total £000 | 2018 Total £000 |
|---|------|-------------------------------|-----------------------------|--------------------------|-----------------------|-----------------------|
| INCOMING RESOURCES | | | | | | |
| Income from Charitable Activities: | | | | | | |
| School fees | 1. | 13,931 | - | - | 13,931 | 12,899 |
| Other educational activities | 2. | 14 | - | - | 14 | 13 |
| Other ancillary activities | 2. | 622 | - | - | 622 | 697 |
| Other Income: | | | | | | |
| Other incoming resources | 2. | 131 | - | - | 131 | 115 |
| Investment income: | 2. | 22 | 1 | - | 23 | 18 |
| Voluntary income: | 2. | 3,997 | 40 | - | 4,037 | 140 |
| | | ----- | ----- | ----- | ----- | ----- |
| Total Incoming Resources | | 18,717 | 41 | - | 18,758 | 13,882 |
| | | ----- | ----- | ----- | ----- | ----- |
| EXPENDITURE ON: | | | | | | |
| Raising Funds: | | | | | | |
| Fundraising Costs | 3. | 85 | - | - | 85 | 82 |
| Other Expenditure: | | | | | | |
| Grant to related charity: The RGSW& AOS Foundation | | - | - | - | - | 386 |
| Charitable Activities: | | | | | | |
| School | | 14,512 | 36 | - | 14,548 | 13,574 |
| | | ----- | ----- | ----- | ----- | ----- |
| Total Expenditure | 3. | 14,597 | 36 | - | 14,633 | 14,042 |
| | | ----- | ----- | ----- | ----- | ----- |
| NET INCOMING/(OUTGOING) FUNDS FROM OPERATIONS BEFORE TRANSFERS | | 4,120 | 5 | - | 4,125 | (160) |
| Transfers between funds | 9. | - | - | - | - | - |
| Investment gains | 9. | - | - | 15 | 15 | 17 |
| | | ----- | ----- | ----- | ----- | ----- |
| NET MOVEMENT IN FUNDS | | 4,120 | 5 | 15 | 4,140 | (143) |
| Fund balances at 1 September | | 19,173 | 59 | 226 | 19,458 | 19,601 |
| | | ----- | ----- | ----- | ----- | ----- |
| Fund balances at 31 August | | 23,293 | 64 | 241 | 23,598 | 19,458 |
| | | ===== | ===== | ===== | ===== | ===== |
| All operations are continuing. | | | | | | |

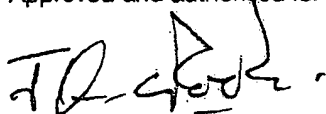
The notes on pages 22 to 39 form part of these financial statements

THE ROYAL GRAMMAR SCHOOL WORCESTER
BALANCE SHEET at 31 August

Company reg. no. 6251081

| | Note | 2020 £000 | 2019 £000 |
|--|------|--------------|--------------|
| FIXED ASSETS | | | |
| Intangible Assets for Operational Use | 5a. | 81 | 91 |
| Tangible Assets for Operational Use | 5b. | 22,826 | 23,508 |
| Investments | 6. | 247 | 241 |
| | | ----- | ----- |
| | | 23,154 | 23,840 |
| CURRENT ASSETS | | | |
| Debtors | 7a. | 1,160 | 661 |
| Stock | | 36 | 22 |
| Cash at bank and in hand | 7b. | 846 | 2,407 |
| Short term deposits | 7b. | 3,000 | 700 |
| | | ----- | ----- |
| | | 5,042 | 3,790 |
| CREDITORS: Due within one year | 8a. | (2,963) | (2,611) |
| | | ----- | ----- |
| NET CURRENT ASSETS | | 2,079 | 1,179 |
| | | ----- | ----- |
| TOTAL ASSETS less NET CURRENT LIABILITIES | | 25,233 | 25,019 |
| CREDITORS: Due after more than one year | | | |
| Pension deficit funding liability | 12c. | (655) | (754) |
| Fees received in advance | 8b. | (754) | (667) |
| | | ----- | ----- |
| | | (1,409) | (1,421) |
| | | ----- | ----- |
| TOTAL NET ASSETS | | 23,824 | 23,598 |
| | | ===== | ===== |
| Endowed Funds | 9. | 247 | 241 |
| Restricted Funds | 9. | 43 | 64 |
| Unrestricted Funds | 9. | 23,534 | 23,293 |
| | | ----- | ----- |
| | | 23,824 | 23,598 |
| | | ===== | ===== |

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



J Q S Poole
Chair of Governors
3 December 2020

The notes on pages 22 to 39 form part of these financial statements

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

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Cash flows from operating activities | | |
| Net cash provided by operating activities | 1,321 | 6,239 |
| Cash flows from investing activities | | |
| Dividends and interest from investments | 18 | 22 |
| Proceeds from the sale of fixed assets | 25 | 10 |
| Purchase of intangible fixed assets | (44) | (52) |
| Purchase of tangible fixed assets | (581) | (5,804) |
| | ----- | ----- |
| Net cash used in investing activities | (582) | (5,824) |
| Change in cash and cash entitlements in the reporting period | 739 | 415 |
| | ----- | ----- |
| Total cash and non-cash movements | 739 | 415 |
| | ----- | ----- |
| Cash and cash equivalents at the start of the year | 3,107 | 2,692 |
| | ----- | ----- |
| Cash and cash equivalents at the end of the reporting period | 3,846 | 3,107 |
| | ===== | ===== |
| A. Reconciliation of cash flows from the operating activities | | |
| Net income for the year | 242 | 4,140 |
| Depreciation and amortisation charges | 1,294 | 1,304 |
| Dividends from investments | (18) | (22) |
| Increase in stock | (14) | (3) |
| (Increase)/Decrease in debtors | (499) | 114 |
| Increase in creditors | 442 | 833 |
| Decrease in pension deficit funding | (95) | (102) |
| Investment gains | (6) | (15) |
| Profit on sale of fixed assets | (25) | (10) |
| | ----- | ----- |
| | 1,321 | 6,239 |
| | ===== | ===== |
| B. Analysis of cash and cash equivalents | | |
| Cash in hand | 846 | 2,407 |
| Short term deposits | 3,000 | 700 |
| | ----- | ----- |
| | 3,846 | 3,107 |
| | ===== | ===== |

The notes on pages 22- to 39 form part of these financial statements

THE ROYAL GRAMMAR SCHOOL WORCESTER

NOTES ON ACCOUNTING POLICIES FOR THE YEAR ENDED 31 August 2020

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.

Since the year-end the Covid-19 pandemic has caused significant strains on businesses and charities of all types. RGS Worcester has responded to the crisis adjusting teaching methods where necessary and ensuring compliance with the changing government advice. A discount was given for the 2020 summer term and the planned fee increase for 2020/21 waived. With uncertainty over pupil numbers forecasts for 2021 onwards, budgets have been stress-tested to assess how the School could cope under different scenarios. The Governors have concluded that the Company is well placed to cope with the continuing uncertainties and has adequate resources to continue providing first class education to its pupils for the foreseeable future.

After making appropriate enquiries, the Governors consider that the company has adequate resources to continue in operational existence for the foreseeable future and it is therefore appropriate to continue to adopt the going concern basis in preparing the 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 |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES ON ACCOUNTING POLICIES FOR YEAR ENDED 31 August 2020

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.

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. On 30 April 2019, the assets and liabilities of Dodderhill School were transferred to The Royal Grammar School Worcester and have been recognised at fair value at the point the risks and rewards of ownership passed to the School. An equal amount to the net assets acquired is recognised within Donations in the Income and Expenditure account.

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.

Government Grants. Are credited to the statement of financial activities as the related expenditure is incurred.

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 (2018: 4) 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.

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES ON ACCOUNTING POLICIES FOR YEAR ENDED 31 August 2020

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 of software and website development costs – 5 years.

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 2020

| 1. FEES | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Gross Tuition Fees | 16,143 | 15,006 |
| Pupil Lunches | 334 | 497 |
| Other Fees | 177 | 317 |
| | ----- | ----- |
| Gross Fee Income | 16,654 | 15,820 |
| Less: Scholarships, Bursaries and other Remissions | (1,824) | (1,554) |
| Less: Fees paid through Salary Sacrifice | (334) | (335) |
| | ----- | ----- |
| Total Remissions | (2,158) | (1,889) |
| | ----- | ----- |
| Net Fees | 14,496 | 13,931 |
| | ===== | ===== |
| | 2020 | 2019 |
| | £000 | £000 |
| 2. OTHER INCOME | | |
| Other educational charitable activities | | |
| Registration Fees | 16 | 14 |
| | ===== | ===== |
| Other ancillary activities | | |
| RGS The Grange Shuttle Bus | 23 | 23 |
| School Trips | 280 | 594 |
| Baby and Toddler Groups | 5 | 5 |
| | ----- | ----- |
| | 308 | 622 |
| | ===== | ===== |
| Other incoming resources | | |
| Refund from private medical insurance | - | 1 |
| Counselling recovery | 14 | 15 |
| Lettings | 39 | 40 |
| Sale of Fixed Assets – Boat and Minibus | 25 | 10 |
| Solar FIT | 8 | 4 |
| HMRC JRS Grants | 310 | - |
| Miscellaneous | 91 | 61 |
| | ----- | ----- |
| | 487 | 131 |
| | ===== | ===== |
| Investment Income | | |
| Bank interest | 12 | 16 |
| Permanent Endowment Income | 6 | 6 |
| Mytton and Blasson interest | 1 | 1 |
| | ----- | ----- |
| | 19 | 23 |
| | ===== | ===== |
| Voluntary Income | | |
| Donations | 22 | 50 |
| Assets and liabilities of Dodderhill School | - | 3,946 |
| Grants from the RGSW & AOS Foundation | 71 | 40 |
| Legacies | 14 | 1 |
| | ----- | ----- |
| | 107 | 4,037 |
| | ===== | ===== |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

3. RESOURCES EXPENDED

| | Staff Costs | Other | Depreciation & Amortisation | 2020 Total | 2019 Total |
|--------------------------------------|----------------|-------|-----------------------------------|---------------|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Costs of generating voluntary income | 50 | 48 | 7 | 105 | 85 |
| Charitable Activities | | | | | |
| Teaching Costs | 8,843 | 423 | 454 | 9,720 | 8,937 |
| Welfare | 85 | 467 | 14 | 566 | 744 |
| Premises | 487 | 1,289 | 769 | 2,545 | 2,420 |
| Support Costs of Schooling | 869 | 1,062 | 43 | 1,974 | 2,174 |
| Marketing and Advertising | 125 | 171 | 7 | 303 | 273 |
| | 10,409 | 3,412 | 1,287 | 15,108 | 14,548 |
| Total Resources Expended | 10,459 | 3,460 | 1,294 | 15,213 | 14,633 |

| | | |
|-----------------------|--------------|--------------|
| Staff Costs | 2020 £000 | 2019 £000 |
| Wages & Salaries | 7,892 | 7,405 |
| Social Security Costs | 753 | 705 |
| Pension Contributions | 1,553 | 1,061 |
| Training & Expenses | 33 | 53 |
| Other Costs | 228 | 248 |
| | 10,459 | 9,472 |

| | | |
|---|------|------|
| The average numbers of full time equivalent employees in the year were: | 2020 | 2019 |
| Teachers | 135 | 125 |
| Others | 100 | 104 |
| | 235 | 229 |

The total headcount was 336 (2019: 325)

| | | |
|---|------|------|
| The number of employees whose emoluments exceeded £60,000 were: | 2020 | 2019 |
| £60,001 - £70,000 | 5 | 6 |
| £70,001 - £80,000 | 2 | 2 |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | - | - |
| £100,001 - £110,000 | 1 | 1 |
| £110,001 - £120,000 | - | 1 |
| £120,001 - £130,000 | 1 | - |
| | 9 | 10 |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

3. RESOURCES EXPENDED (continued)

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Remuneration of key personnel including Employers' National Insurance and Employer's Pension contributions (considered to be the Governors and Principal Officers) | 514 | 457 |
| | ===== | ===== |

During the year there were redundancy or termination payments totalling £26,706 (2019: £5,320), settlement agreements of £800 (2019: £7,600).

For the 9 employees (2019: 10) with emoluments greater than £60,000, 8 (2019: 9) were members of the defined benefit schemes with associated employer contributions of £150,769 (2019: £108,214)

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.

4. AUDITOR'S REMUNERATION

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Auditor's remuneration for audit services | 13 | 14 |
| Auditor's remuneration for payroll services | 8 | 10 |
| Auditor's remuneration for other services | - | 14 |
| | ----- | ----- |
| | 21 | 38 |
| | ===== | ===== |

5a. INTANGIBLE ASSETS

| | Software (including website development) £000 |
|------------------------|---|
| Cost | |
| At 1 September 2019 | 290 |
| Additions | 44 |
| | ----- |
| As 31 August 2020 | 334 |
| | ===== |
| Depreciation | |
| At 1 September 2019 | 199 |
| Charge for year | 54 |
| | ----- |
| As 31 August 2020 | 253 |
| | ===== |
| Net Book Amount | |
| At 31 August 2020 | 81 |
| At 1 September 2019 | 91 |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

| 5b. TANGIBLE FIXED ASSETS | Freehold Land | Freehold Buildings | Fixtures Fittings & Equipment | Grounds Equipment & Motor Vehicles | Assets in the course of construction | Total |
|----------------------------------|----------------------|---------------------------|--|---|---|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | | |
| At 1 September 2019 | 496 | 28,419 | 5,392 | 515 | - | 34,822 |
| Additions | | 5 | 509 | 45 | | 559 |
| Disposals | - | - | (19) | (25) | - | (44) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| At 31 August 2020 | 496 | 28,424 | 5,882 | 535 | - | 35,337 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Depreciation | | | | | | |
| At 1 September 2019 | - | 7,429 | 3,488 | 397 | - | 11,314 |
| Charge for year | - | 569 | 626 | 46 | - | 1,241 |
| Disposals | - | - | (19) | (25) | - | (44) |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| At 31 August 2020 | - | 7,998 | 4,095 | 418 | - | 12,511 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| Net Book Amount | | | | | | |
| At 31 August 2020 | 496 | 20,426 | 1,787 | 117 | - | 22,826 |
| At 1 September 2019 | 496 | 20,990 | 1,904 | 118 | - | 23,508 |

The freehold buildings had a declared value for insurance purposes of £78m as at 31 August 2020.

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

6. FIXED ASSET INVESTMENTS (UK Listed)

| 6a. THE PERMANENT ENDOWMENT FUND | 2020 | 2019 |
|---|-------------|-------------|
| | £000 | £000 |
| Opening market value | 212 | 199 |
| Net gains on revaluation | 5 | 13 |
| | ----- | ----- |
| Closing market value at 31 August | 217 | 212 |
| | ===== | ===== |
| Historic cost at 31 August | 150 | 150 |
| | ===== | ===== |

The above represents the Permanent Endowment for the School Charity 527527 scheduled in the 2007 Scheme. The investments currently comprise COIF Income Units only.

| 6b. ENDOWED FUNDS | 2020 | 2019 |
|-----------------------------------|-------------|-------------|
| Prize Fund | £000 | £000 |
| Opening market value | 29 | 27 |
| Net gains on revaluation | 1 | 2 |
| | ----- | ----- |
| Closing market value at 31 August | 30 | 29 |
| | ===== | ===== |
| Historic cost at 31 August | 20 | 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 2020

| 7a. DEBTORS | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| Tuition fees and extras | 467 | 290 |
| Sundry debtors | 404 | 34 |
| Prepayments | 289 | 337 |
| | ----- | ----- |
| | 1,160 | 661 |
| | ===== | ===== |
| 7b. OTHER CURRENT ASSETS | 2020 | 2019 |
| | £000 | £000 |
| Cash at Bank and in Hand | 846 | 2,407 |
| Short Term Deposits | 3,000 | 700 |
| | ----- | ----- |
| | 3,846 | 3,107 |
| | ===== | ===== |
| 8a. CREDITORS: Due within one year | 2020 | 2019 |
| | £000 | £000 |
| Fees received in advance | 1,660 | 986 |
| Registration Deposits | 148 | 141 |
| Trade Creditors | 499 | 701 |
| Social Security & Other Taxes | 191 | 189 |
| Pension deficit funding liability (note 12c) | 114 | 110 |
| Other Creditors | 222 | 271 |
| Accruals | 129 | 213 |
| | ----- | ----- |
| | 2,963 | 2,611 |
| | ===== | ===== |

Included in Other Creditors are amounts owing to the Teachers' Pension Scheme of £152,887 (2019: £122,847) and The Pension Trust of £nil (2019: £33,202).

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

8b. CREDITORS: Due after more than one year (excluding pension liability)

| Accrued liabilities in respect of fees received in advance: | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Within 2 to 5 years | 506 | 431 |
| Within 1 to 2 years | 248 | 236 |
| | ----- | ----- |
| | 754 | 667 |
| Within 1 year | 1,660 | 986 |
| | ----- | ----- |
| Balance at 31 August | 2,414 | 1,653 |
| | ===== | ===== |
| The movements during the year were: | | |
| Balance at 1 September | 1,653 | 1,093 |
| Net cash movement | 2,418 | 1,504 |
| | ----- | ----- |
| | 4,071 | 2,597 |
| Amounts utilised in fee payment | (1,657) | (944) |
| | ----- | ----- |
| Balance at 31 August | 2,414 | 1,653 |
| | ===== | ===== |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

9. RESERVES

| | Balance at 1 September 2019 £000s | Incoming Resource £000s | Resources Expended £000s | Investment gains £000s | Balance at 31 August 2020 £000s |
|--|--|-------------------------------|--------------------------------|------------------------------|---------------------------------------|
| Endowment Funds | | | | | |
| The Permanent Endowment Fund | 212 | - | - | 5 | 217 |
| Prize Funds | 29 | - | - | 1 | 30 |
| | ----- | ----- | ----- | ----- | ----- |
| | 241 | - | - | 6 | 247 |
| | ===== | ===== | ===== | ===== | ===== |
| Restricted Funds | | | | | |
| Alumni Bursary A | 2 | - | (2) | - | - |
| Alumni Bursary B | 16 | 13 | (14) | - | 15 |
| Debating | 1 | - | - | - | 1 |
| Dodderhill | 7 | - | (2) | - | 5 |
| Drawings/Pictures | 1 | - | - | - | 1 |
| Alumni support | 23 | - | (19) | - | 4 |
| Gardening Club | 1 | - | - | - | 1 |
| Mytton & Blason Prize Fund | - | 1 | - | - | 1 |
| Claines Physics Prize | 3 | - | - | - | 3 |
| Rugby Auction | 4 | 1 | (2) | - | 3 |
| Tennis Sponsorship | 5 | - | - | - | 5 |
| Sundry <£500 | 1 | - | (1) | - | - |
| RGSW & AOS Foundation | 0 | 33 | (33) | - | - |
| Bursaries | | | | | |
| RGSW & AOS Foundation - Hardship Fund | 0 | 38 | (38) | - | - |
| Dodderhill PTA (Library) | - | 2 | (2) | - | - |
| Debating Society | - | 3 | - | - | 3 |
| RGS PTA Photography | - | 1 | (1) | - | - |
| RGS PTA Land Rover | - | 1 | - | - | 1 |
| | ----- | ----- | ----- | ----- | ----- |
| | 64 | 93 | (114) | - | 43 |
| | ===== | ===== | ===== | ===== | ===== |
| Unrestricted Funds | ----- | ----- | ----- | ----- | ----- |
| General Reserves | 23,293 | 15,411 | (15,170) | - | 23,534 |
| | ===== | ===== | ===== | ===== | ===== |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

9. RESERVES (continued)

| Summary of Funds | Balance at 1 September 2019 £000s | Incoming Resources £000s | Resources Expended £000s | Investment gains £000s | Balance at 31 August 2020 £000s |
|--------------------|--|--------------------------------|--------------------------------|------------------------------|--|
| Endowment Funds | 241 | - | - | 6 | 247 |
| Restricted Funds | 64 | 93 | (114) | - | 43 |
| Unrestricted Funds | 23,293 | 15,340 | (15,099) | - | 23,534 |
| | ----- | ----- | ----- | ----- | ----- |
| | 23,598 | 15,433 | (15,213) | 6 | 23,824 |
| | ===== | ===== | ===== | ===== | ===== |

Endowment Funds:

The Endowment Funds represent the invested endowments of the School. 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 support.

Restricted Funds:

Alumni Bursary (1 and 2):- Alumni bursary support
 Debating Society:- SME Debating Club Sponsorship.
 Dodderhill:- Restricted funds that transferred with the merger.
 Drawings and pictures:- Deposits donated for the commissioning of pictures of the RGS buildings.
 Alumni support:- Alumni support for Foundation.
 Gardening Club:- Donation and prize money for the Gardening club.
 Mytton and Blasson:- Annual pupil prizes
 Claines Physics Prize:- Annual Physics award.
 Rugby:- Rugby Dinner Auction proceeds for floodlights/
 Tennis Sponsorship:- LTA sponsorship
 RGSW & AOS Foundation – Bursaries
 RGSW & AOS Foundation Hardship Fund
 Dodderhill PTA (Library)
 Sundry Support:- Monies <£500) for various projects
 Debating Society
 RGS PTA Photography
 RGS PTA Land Rover

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2019

9. RESERVES (PRIOR YEAR)

| | Balance at 1 September 2018 £000s | Incoming Resource £000s | Resources Expended £000s | Investment gains £000s | Balance at 31 August 2019 £000s |
|---------------------------------|--|-------------------------------|--------------------------------|------------------------------|--|
| Endowment Funds | | | | | |
| The Permanent Endowment Fund | 199 | - | - | 13 | 212 |
| Prize Funds | 27 | - | - | 2 | 29 |
| | ----- | ----- | ----- | ----- | ----- |
| | 226 | - | - | 15 | 241 |
| | ===== | ===== | ===== | ===== | ===== |
| Restricted Funds | | | | | |
| Alumni Bursary A | 16 | - | (14) | - | 2 |
| Alumni Bursary B | 15 | 11 | (10) | - | 16 |
| Debating | - | 2 | (1) | - | 1 |
| Dodderhill | - | 7 | - | - | 7 |
| Drawings/Pictures | - | 1 | - | - | 1 |
| Alumni support | 23 | - | - | - | 23 |
| Gardening Club | 1 | - | - | - | 1 |
| Grange Benches | - | 1 | (1) | - | - |
| Grange Stage Lighting | - | 4 | (4) | - | - |
| Hockey Sponsorship | - | 1 | (1) | - | - |
| Mytton & Blason Prize Fund | - | 1 | (1) | - | - |
| Claines Physics Prize | 3 | - | - | - | 3 |
| RGS PA Gazebos | - | 2 | (2) | - | - |
| Rowing Sponsorship | - | 1 | (1) | - | - |
| Rugby Auction | - | 4 | - | - | 4 |
| Tennis Sponsorship | - | 5 | - | - | 5 |
| Sundry <£500 | 1 | 1 | (1) | - | 1 |
| | ----- | ----- | ----- | ----- | ----- |
| | 59 | 41 | (36) | - | 64 |
| | ===== | ===== | ===== | ===== | ===== |
| Unrestricted Funds | ----- | ----- | ----- | ----- | ----- |
| General Reserves | 19,173 | 18,717 | (14,597) | - | 23,293 |
| | ===== | ===== | ===== | ===== | ===== |

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2019

9. RESERVES PRIOR YEAR (continued)

| Summary of Funds | Balance at 1 September 2018 £000s | Incoming Resources £000s | Resources Expended £000s | Investment gains £000s | Balance at 31 August 2019 £000s |
|-------------------------|--|-------------------------------------|-------------------------------------|-----------------------------------|--|
| Endowment Funds | 226 | - | - | 15 | 241 |
| Restricted Funds | 59 | 41 | (36) | - | 64 |
| Unrestricted Funds | 19,173 | 18,717 | (14,597) | - | 23,293 |
| | ----- | ----- | ----- | ----- | ----- |
| | 19,458 | 18,758 | (14,633) | 15 | 23,598 |
| | ===== | ===== | ===== | ===== | ===== |

Endowment Funds:

The Endowment Funds represent the invested endowments of the School. 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 support.

Restricted Funds:

Alumni Bursary (1 and 2):- Alumni bursary support
 Debating Society:- SME Debating Club Sponsorship.
 Dodderhill:- Restricted funds that transferred with the merger.
 Drawings and pictures:- Deposits donated for the commissioning of pictures of the RGS buildings.
 Alumni support:- Alumni support for Foundation.
 Gardening Club:- Donation and prize money for the Gardening club.
 Grange benches:- PTA support for benches.
 Grange Stage lighting:- PTA support for stage lighting.
 Hockey Sponsorship:- External hockey equipment support
 Mytton and Blasson:- Annual pupil prizes
 Claines Physics Prize:- Annual Physics award.
 RGS Gazebos:- PTA support for sport gazebos
 Rowing Sponsorship:- Pullinger rowing equipment support.
 Rugby:- Rugby Dinner Auction proceeds for floodlights/
 Tennis Sponsorship:- LTA sponsorship
 Sundry Support:- Monies <£500) for various projects.

THE ROYAL GRAMMAR SCHOOL WORCESTER
NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 August 2020

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| The Net Assets are Funded as follows: | Tangible Fixed Assets £000 | Intangible Fixed Assets £000 | Investments £000 | Net Current Assets £000 | Long Term Liabilities £000 | 2020 Total £000 | 2019 Total £000 |
|---|-------------------------------------|---------------------------------------|---------------------|----------------------------------|-------------------------------------|-----------------------|-----------------------|
| Unrestricted Funds | 22,826 | 81 | - | 2,036 | (1,409) | 23,534 | 23,293 |
| Restricted Funds | - | - | - | 43 | - | 43 | 64 |
| Endowment Funds | - | - | 247 | - | - | 247 | 241 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| | 22,826 | 81 | 247 | 2,079 | (1,409) | 23,824 | 23,598 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

| The Net Assets are Funded as follows: | Tangible Fixed Assets £000 | Intangible Fixed Assets £000 | Investments £000 | Net Current Assets £000 | Long Term Liabilities £000 | 2019 Total £000 | 2018 Total £000 |
|---|-------------------------------------|---------------------------------------|---------------------|----------------------------------|-------------------------------------|-----------------------|-----------------------|
| Unrestricted Funds | 23,508 | 91 | - | 1,115 | (1,421) | 23,293 | 19,173 |
| Restricted Funds | - | - | - | 64 | - | 64 | 59 |
| Endowment Funds | - | - | 241 | - | - | 241 | 226 |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| | 23,508 | 91 | 241 | 1,179 | (1,421) | 23,598 | 19,458 |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

11. CAPITAL COMMITMENTS

Capital expenditure of £nil (2019: £150,000) has been authorised and contracted for as at 31 August 2020.

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 £1,312,212 (2019: £843,485) and at the year-end £152,887 (2019: £122,847) 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.

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The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and will close to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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 2020, had 109 (2019: 97) members with a further 1 (2019: 1) pending having been auto-enrolled.

The pension cost charge amounting to £235,054 (2019: £215,161) represents the full contribution payable for the period by the School to The Pensions Trust for all pensions provided. At the year end £nil (2019: £33,202) was accrued in respect of contributions to these schemes.

There are 3 members of staff (2019: 4) 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.

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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 2019. At this date the estimated employer debt for RGS was £1,862,429 (Sep 2018: £1,763,857).

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 £61,843 (2019: £60,057).

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 2019. At this date the estimated employer debt for RGS was £622,956 (2018: £603,760)

Growth Plan

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 £55,141 (2019: £53,535)

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

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| CARE Scheme | 507 | 552 |
| Growth Plan | 262 | 312 |
| | ----- | ----- |
| Of the totalled combined deficit of £864,000 an amount of £114,000 is due within one year | 769 | 864 |
| | ===== | ===== |

13. FINANCIAL INSTRUMENTS

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Financial assets measured at amortised cost | 4,690 | 3,431 |
| | ===== | ===== |
| Financial assets measured at fair value through the Income and Expenditure | 247 | 241 |
| | ===== | ===== |
| Financial liabilities measured at fair value through the Income and Expenditure | 769 | 894 |
| | ===== | ===== |
| Financial liabilities measured at amortised cost | 972 | 1,326 |
| | ===== | ===== |

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

Financial liabilities measured at fair value through the Income and Expenditure account comprise the defined benefit pension scheme deficit funding liability.

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

14. RELATED PARTIES

Mrs S Mills, a Governor, provided consultancy services during the year amounting to £nil (2019: £450). £nil was outstanding at the year end.

The RGSW and AOS Foundation made grants to the School in the year totalling £71,411 (2019: £40,002).

The daughter of the Chair of Governors, Mr J Q S Poole has been employed as an apprentice Teacher with effect from 1 September 2020. In the year 2019/20 she worked part time and was paid a total of £715.

Paul Cross, Mrs M Cross's husband, has been employed as a temporary science teacher from September to December 2020.

RGS Worcester and Worcester Hockey Club have established a joint venture, Worcester International Hockey Ltd, which was incorporated in December 2019. Costs incurred prior to Worcester International Hockey Ltd being functional were paid by RGS Worcester and Worcester Hockey Club. These costs are part of RGS Worcester's share of the total project cost and the £309,251 spent to date is included within Sundry Debtors in this report.