



Reigate Grammar School

A Registered Company Limited by Guarantee

Consolidated Financial Statements

for the year ended 31 August 2017

together with Governors' and Auditor's reports

Registered Company Number: 3954365

Registered Charity Number: 1081898

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COMPANIES HOUSE

Report of the Governors for the year ended 31 August 2017

The Governors, who are also directors, present their annual report on the affairs of the Group, together with the financial statements and auditors' report for the year ended 31 August 2017, and confirm that the financial statements comply with the requirements of the Companies Act 2006 and the Charities SORP 2015.

Reference & Administrative Information

The School was incorporated as a company limited by guarantee in 2000 and has been granted exemption under S60 Companies Act 2006 from the requirement to use 'Limited' as part of its name. The liability of its members is limited to £1 each. The School is also a registered charity.

The two principal operating arms of the School are Reigate Grammar School (RGS), and its junior school, Reigate St Mary's Preparatory & Choir School (RSM), together known as 'the School'. There is also a subsidiary charity, the Reigate Grammar School Trust ('RGS Trust'), and a subsidiary trading company, Reigate Grammar School Trading Limited. In February 2017, Chinthurst School Educational Trust ('Chinthurst'), an independent preparatory school in Tadworth, Surrey, merged with RGS. Chinthurst is being maintained as a separate legal entity, with RGS becoming its sole member from 24 February 2017.

Governors

Mr James Dean *^o†[∞] (Chairman) (appointed as Chairman 17 February 2017)
Mr Alan Walker ^o*†[∞] (Chairman) (resigned 17 February 2017)
Mrs Jennifer Langham ^o†[∞] (Vice Chairman) (resigned 13 March 2017)
Sir Colin Chandler *[∞] (Vice Chairman) (resigned 26 June 2017)
Mr David Adams ^o (resigned 4 April 2018)
Mr Marc Benton *[∞]
Mrs Mary Braughler-Edmunds ^o (appointed 24 July 2017)
Mr Colin Cobain *[∞]
Mr David Cole ^o
Mr Brian Day †[∞]*
Mr Christopher Dixon † (appointed 11 April 2017)
Mr William Dunnet †*[∞] (resigned 13 March 2017)
Mr Mark Elsey *[∞] (appointed as Vice Chairman on 12 March 2018)
Mrs Elizabeth Fieldhouse † (resigned 13 March 2017)
Mrs Jane Forbat * (resigned 17 February 2017)
Mr Luke Herbert ^o[∞]
Mrs Maxine Hulme ^o (appointed 11 April 2017)
Dr Kathryn Knapp ^o (resigned 13 March 2017)
Mr Mark O'Dwyer * (appointed 11 April 2017)
Mr Roger Newstead †
Mrs Lisa Page ^o (appointed 11 April 2017)
Professor Sally Sayce ^o†
Mr Nicholas Weber * (appointed 24 July 2017)

^o Member of the Education & Welfare Committee

* Member of the Finance & Foundation Committee

† Member of the Estates & Premises Committee

[∞] Member of the Governance & Risk Management Committee

Headmaster - Senior

Mr Shaun A Fenton MA MEd

Headmaster – Reigate St Mary's

Mr Marcus B Culverwell MA

Headteacher – Chinthurst School

Miss Cathy Trundle BA QTS

Bursar & Company Secretary

Mr Stephen P Douty BA FCMA

Address and Registered Office

Reigate Grammar School
Reigate Road
Reigate
Surrey
RH2 0QS

Bankers	Barclays Bank Plc 1 Bell Street Reigate Surrey RH2 7AA
Auditors	haysmacintyre Statutory Auditors 10 Queen Street Place London EC4R 1AG
Solicitors	Goodyear Blackie Herrington LLP Oak House Tanshire Park Shackleford Road Elstead Surrey GU8 6LB Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

Structure, Governance & Management

Governing Document

The School is governed by its Articles of Association last amended on 8 September 2015.

Governing Body

The Governors aim to achieve a wide spread of knowledge and experience amongst its Board members in order to fulfil its statutory obligations and determine the aims and overall conduct of the School. When vacancies on the board arise, nominations are received and decisions on whom to select for appointment are made at a general meeting of the Board. This procedure has been formalised by the establishment of a Governance & Risk Management Committee of the Board. It is the Governors' policy that all Governors will be appointed to serve on at least one Committee of the Governing Board. All Governors serve for an initial 3-year term after which they become eligible for re-election for two further 3-year terms. All Governors retire automatically at the end of their third 3-year term.

Governor Training

New Governors are inducted into the operations of the School, and of the Group as a registered charity, including Board Policies and Procedures, via an initial information pack provided by the Bursar as well as by attendance at Board Meetings and during term-time, at Governors' Days and Parent / Teacher meetings. Workshops for all Governors are held on an annual basis, usually on a day that coincides with a full Board of Governors Meeting. They are also encouraged to attend external courses run by AGBIS and other relevant professional organisations.

Organisational Management

The Governors meet as a Board at least four times a year to determine the general policy of the School, as well as reviewing its overall management and control, for which they are legally responsible. James Dean assumed the Chair in February 2017 upon the retirement of Alan Walker. Implementation of the Board's policies is carried out by several committees of which the principal ones are the Education & Welfare Committee, the Finance & Foundation Committee, the Estates & Premises Committee and the Governance & Risk Management Committee, all of which meet at least once a term. These Committees are currently chaired by Luke Herbert (Education & Welfare), Colin Cobain (Finance & Foundation), Brian Day (Estates & Premises) and Mark Elsey (Governance & Risk Management). The Chair of Chinthurst School is Marc Benton. The day-to-day running of the three schools (Reigate Grammar School, Reigate St Mary's Preparatory & Choir School and Chinthurst School) is delegated to the Headteachers of each school and the Bursar. These four individuals are the key management personnel. The Board sets remuneration,

with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success.

Objects, Aims, Objectives & Principal Activities

The main object remains the provision of day school education, in or near Reigate, to both boys and girls.

Aims and Intended Impact

Within the main object, the aims of the School are:

- To continue the traditions of the School in providing an excellent all-round education to talented students aged between two and eighteen from a wide range of social backgrounds.
- To stimulate intellectual curiosity in all areas of learning and to enable students to fulfil their academic potential.
- To provide a disciplined and caring environment that will encourage boys and girls to develop into morally and socially responsible young people.
- To provide all students with the essential skills and experiences that will equip them for the world outside School.
- To ensure that the development of these intellectual, physical, creative and social abilities is conducted in a happy and mutually respectful environment.

Ethos

The School is a charity that seeks to provide the best possible education to our students and thereby to provide public benefit. Our fees are set at a level to ensure the financial viability of the School and at a level that is consistent with the above aims.

Our School is committed to safeguarding and promoting the welfare of our students and we expect all staff and volunteers to share this commitment. The School's child protection policies may be accessed in full on our websites.

Admission to the School

The School welcomes students from all backgrounds. To admit a prospective student, we must feel reasonably sure that we will be able to educate and develop the prospective student to the best of his or her potential and in line with the general standards achieved by the student's peers. Entrance interviews and, where appropriate, academic assessments are undertaken to satisfy parents and ourselves that potential students can cope with the pace of learning and will benefit from the education we provide.

Prospective students are judged solely by the above criteria, which are published in more detail on the School's websites. The School is open to all students who meet these criteria regardless of economic status, gender, ethnicity, race, religion or disability.

Our School prides itself on being an inclusive institution that embraces equal opportunities for all. We are committed to providing an environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. We make reasonable adjustments to meet the needs of staff or students who are or become disabled.

Grant-making policy

This academic year the net value of scholarships, bursaries, sibling and staff discounts made to the School's students was £2,923,708 (2016: £2,769,953) – again at a level in excess of 10% of aggregate expenditure. Details of the value of awards are also set out in Note 1 to the accounts.

a) Bursaries

The Governors are determined to ensure that they provide education to students from a wide range of backgrounds. To achieve this aim, funds are provided each year to help families who cannot afford the full fees. This provides assistance to those who meet our general entry requirements and awards are made solely on the basis of parental means. All bursaries are means-tested, including Harrison scholarships, Gershon scholarships and 1675 scholarships. Funds for the Harrison, the Gershon and 1675 scholarships are all obtained from external philanthropic donations.

In assessing parents' means, we take a number of factors into consideration including family income, investments and savings, and family circumstances, for example, dependant relatives and the number of siblings. The provision of funds from external sources as a contribution towards funding our awards helps the School in its objective of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The value of a Bursary ranges from 10% to 100% remission of fees. In cases of extreme hardship, we sometimes also offer help with extras such as school transport, lunches and uniform. Information about our Bursary scheme is included in the prospectus and on the School's websites. We also advertise our awards regularly in the local press and via a leaflet, which is distributed widely in the local area.

Harrison Scholarships (Reigate Grammar School only)

The School is delighted to be able to work with a local charity, The Peter Harrison Foundation, which for the last fifteen years, has provided a level of additional financial assistance to students of the School over and above that provided directly by the School itself. Families who live in the borough of Reigate and Banstead who are applying for a place at Reigate Grammar School and who already qualify for a Bursary may also receive fee assistance from the Peter Harrison Foundation (Charity No. 1076579). Approximately four students each year receive such assistance and are known as Harrison Scholars. Further details of the scheme can be found at www.peterharrisonfoundation.org.

1675 Scholarships (Reigate Grammar School only)

From donations provided largely by alumni and others with an interest in the School's wellbeing, the 1675 Bursary Fund supports the provision of 1675 Scholarships. During the academic year, nine 1675 Scholarships were awarded, including two Gershon scholars, bringing the total number of 1675 Scholars to twenty-nine. Details of the 1675 Bursary Fund can be found in Note 16 on pages 33 to 35, and the role of the RGS Foundation is described on page 11.

Temporary Bursaries

These provide short-term assistance only and are offered to relieve hardship where a student's education and future prospects would otherwise be at risk, for example, in the case of redundancy.

b) Scholarship policy (Reigate Grammar School only)

The purpose of our scholarship awards is to recognise either high academic potential, or the ability to excel in Sport, Music or the ability to excel in our extra-curricular activities. Scholarships are awarded with a remission of up to 30% of fees per annum, but where further assistance is required, awards may be supplemented by a means-tested Bursary. We advertise the availability of scholarships regularly in the local press and directly to local schools. Further details of our scholarships are available on our website.

c) Choral Scholarships

During the year ended 31 August 2017 the Godfrey Searle Choir, a semi-professional choir of boys and men, which draws its boys exclusively from the School, provided scholarships with a fixed remission of fees ranging between £1,000 and £2,800 per annum in return for singing at services in St. Mary's Parish Church and elsewhere. Boys normally enter the choir at the age of eight whilst at Reigate St. Mary's, but can continue through to the Grammar School until the age of 13. The choir makes a major contribution to the musical life of the School.

d) Sibling discounts

To underline the value we place on continuity for families, we offer sibling discounts where parents have more than one child at the School: a 5% discount is allowed in respect of the second child, and a 10% discount for the third and any subsequent children.

e) Staff discount

In order to enable us to attract and retain the very best quality staff, we offer a discount scheme for members of staff who educate their children at our School (subject to the normal entry requirements).

Objectives for the Year

The principal objective for the year has been maintaining and improving the educational provision across the School. This includes not only the academic standards as measured by public examinations, but also the extra-curricular life of the School.

Other objectives have included:

- The maintenance of student numbers at the Grammar School above 900 and Reigate St Mary's above 340;
- The provision of continuing support of our students already in receipt of fee assistance through Bursaries;

- To continue to develop and extend the School estate; and
- To retain and develop our teaching staff.

In setting our objectives and planning our activities our Governors continued to give careful consideration to the Charity Commission's general guidance on public benefit.

Strategies to achieve the year's objectives

Each year, the Governors agree the School Development Plan for both schools. These plans outline actions and targets for each of the strategic priority medium term development goals. Governors review progress for each of the medium-term development goals, which have a strategic priority at the appropriate committee meetings and at each full Board meeting.

The continuing improvement of academic standards at the Grammar School is achieved by further use of value-added data to track the progress of students against national standards, supported by an extensive performance management system to deliver high quality professional development to all teaching staff. The school also remains committed to its sporting and cultural programme and has ensured that students continue to receive the broadest possible range of opportunities.

At Reigate St. Mary's the system of staff performance reviews has continued to ensure both consistency and delivery of quality throughout the school. Heads of Department are required to draw up action plans for their areas of responsibility to meet the objectives of the School Development Plan. The enhancements previously made to the admissions process to ensure better targeting and follow up of all potentially interested parents have again proved to be very effective with student numbers remaining close to full capacity on 31 August 2017.

Principal activities of the year

As stated above, the Charity's main object is the provision of day school education, in or near Reigate, to both boys and girls. Students up to the end of Year 6 (age 11) are educated at Reigate St. Mary's and those in Years 7 to 13 at Reigate Grammar School. A second preparatory school, Chinthurst School joined the group during the year. This school educated pupils up to Year 8 (age 13) in the 2016/17 academic year for the final time. Chinthurst now teaches to Year 6 (age 11), which is consistent with many other preparatory schools in Surrey.

The objectives listed above had all been met by the end of the year. Student numbers in the Grammar School reached 970 and Reigate St Mary's is close to full capacity. Future applications to both schools remain healthy.

The Governors' policy is to set tuition fees at a level that covers both ongoing operational costs and the need to reinvest, as appropriate, in new facilities. The fees for the year ended 31 August 2017 were £5,820 per term at Reigate Grammar School, a maximum of £4,620 per term at Reigate St. Mary's and a maximum of £4,640 per term at Chinthurst. Fees for the current academic year 2017/18 have been set at £6,020 and a maximum of £4,780 for both Reigate St. Mary's and Chinthurst, an increase of 3.5% over those for 2016/17.

Public benefit

The specific objectives of Reigate Grammar School as a charity are laid out on page 5 of these accounts. However, the School also demonstrates its public benefit in the following ways:

High quality education.

The School provides a public benefit through the provision of high quality education. In 2016/17, 48 of the 56 Year 6 students at RSM were awarded places at RGS, with 17 scholarships awarded. Three students were also offered scholarships at other independent secondary schools. At RGS, 95% of A-level papers were graded A*, A or B. RGS emphasises its historical tradition as a Grammar School by continuing to offer subjects not always available in local state schools, for example Latin and Greek, separate sciences, and modern foreign languages. Large numbers of students study these subjects, and many go on to study them at university. The School also provides opportunities for students from other schools, both state and independent; these include a Forensic Science Evening, language plays, musical evenings, and an annual Model United Nations conference.

Bursaries.

The Governors' intention is that no student who fulfils the criteria for admission should be prevented from attending RGS for financial reasons. To enable this, RGS provides means-tested Bursaries, and Temporary Bursaries, which can be up to 100% of full fees. In the year ending August 2017, we were able to provide bursary funding worth £1,752,447 (2016: £1,812,729). A proportion of these bursaries are funded by the School's 1675 Bursary Fund which contributed £270,000 (2016: £170,048), an external charity, the Peter Harrison Foundation (Charity No. 1076579), which provided £113,988 (2016: £115,885) of funding for a number of additional places at RGS, as well as a Bursary Fund established by Sir Peter Gershon to support individuals who excel in STEM subjects. After the contribution of the RGS Trust to bursary funding of £3,000 in the year (2016: £10,826), the net cost of bursaries to the School was £1,365,459 (2016: £1,515,970). In cases of extreme hardship, the school also subsidises other expenses such as uniform, school meals, transport and school trips.

Partnerships and use of facilities.

This year, the school has made the following facilities and coaching available at no charge to benefit local community groups and students attending local state schools, including the following:

- Use of RGS and RSM minibuses by 15 different groups including 5 local schools;
- Regular use of the swimming pool by local junior swimming clubs and state schools;
- Use of the astroturf pitches by Reigate Priory Hockey Club for junior coaching every week of the winter term and RGS led holiday hockey camps for local schoolchildren; and
- Extensive use of the Hartswood sports pitches for local school sports days and junior coaching.

Students from local primary schools were hosted during the year by RGS in a series of workshops including Art, Choral Music, Modern Languages and Drama. At Hartswood, RGS host the District athletics rally where 10 local schools compete, sprint and speed masterclasses for 50 primary age students and hockey training and coaching by both RGS teachers and students for local schools.

At RSM the Sports Hall is used widely by local community sports groups for cricket, badminton, Zumba, five-a-side football and by local youth groups for both the Baptist and Anglican churches, including Sunday morning church activities.

The Arts.

The School provides a public benefit by promoting music, drama and art. Concerts and plays are held regularly, often outside the School and open to the public. Local primary and preparatory schools are often invited to performances at no cost, both for school productions and for performances given by outside groups. The Godfrey Searle Choir, a semi-professional choir of boys and men, sings services regularly at churches in the local area as well as further afield, including Chichester Cathedral and Lambeth Palace, and RSM is a member of the Choir Schools' Association. The RGS Activities Week, which runs for a week at the end of each summer term, holds performances, exhibitions and workshops, which are open to the public. RSM has developed relationships with local care homes providing fund raising, Harvest donations to the Women's Refuge and the Choirs sing for the elderly, the Reigate Christmas Fair and produce art for residential care homes.

Sports.

The School provides a public benefit by providing coaching in amateur sports including rugby, football, hockey, netball, cricket, athletics, tennis, badminton, squash, golf and swimming. Students are encouraged to develop to the best of their ability and many have gone on to county and international honours. Students frequently play for local clubs, especially the Old Reigatians Rugby and Hockey clubs, and Reigate Priory Hockey and Cricket clubs.

Outdoor Activities.

The School promotes a healthy lifestyle amongst its students, including taking part in outdoor activities. All students over the age of 14 are encouraged to join either the Duke of Edinburgh Award Scheme or the Combined Cadet Force, both of which teach leadership skills, self-reliance, teamwork, and community understanding. The Combined Cadet Force also contributes to the promotion of the efficiency of the Armed Forces.

Strategic Report

Review of Activities 2016-2017

Examination Results

Reigate Grammar School's best ever A Level results with 95% of all grades being A* to B and a 100 per cent pass rate for the 17th year running demonstrates the continued success of the school. At GCSE more than half of all grades awarded were A* grades and 83 per cent of grades achieved were either an A* or A. The average results for an RGS student were five A* grades and five A grades.

For the fourth year running, all Reigate Grammar School students applying to medical, dental and veterinary schools gained an offer and secured their place. This is testament to the students' hard work, the dedication of their teachers and the effectiveness of the school's programme, which prepares students for medical school application.

Value Added scores were positive and amongst the best in the country demonstrating the school's commitment to improvement and innovation. Together these data demonstrate the continuing success of the school in meeting its academic aims.

Careers and UCAS

The Careers Department held 16 lunchtime careers talks providing up-to-date information for students on a wide range of career options. Students from local schools joined RGS students and parents at the RGS Higher Education Convention in February; we held a Higher Education Information Evening in March and a Q&A with former RGS university students in June. The Interviews Evening in November helped students to prepare for university interviews; students visited a wide range of universities and Oxbridge applicants attended an Oxbridge conference. RGS hosted focused careers evenings in Engineering, Law and Medicine for both RGS and local schools; students took part in COA Careers Profiling with a Careers interview to follow and attended CV writing clinics.

Combined Cadet Force

RGS Combined Cadet Force enjoyed an extremely busy and rewarding year through quality training, excellent opportunities for cadets and a growing staff team. Training included proficiency skills training in all three sections enabling cadets of all levels and sections to progress. The highlight of which was one Cadet Sergeant achieving her Advanced Proficiency in the RAF Section and in doing so becoming the youngest to achieve this in living history. Other highlights have included Afloat Training at Mercers Park, Flight Simulator Training, Laser Tag Section Attacks and Tri Service Archery. These events all add to our vision of providing exciting, motivational weekly training.

Adventurous training weekends gave cadets opportunities to develop specific skills but also to work outside their comfort zone, develop team, communication and leadership skills.

The House Gun Run, Remembrance Days and Taster Day encouraged this initiative to progress further. The most significant achievement in this area was the formation of Lower School CCF club.

The Corps of Drums continues to grow, and new members are learning fast. So much so that new instruments and equipment are needed all the time!

Our Biennial Inspection was a fantastic day for our cadets. It demonstrated to the Inspecting Officer the high calibre of our cadets and their mature, dedicated and enthusiastic approach. It also provided more opportunities in military and adventurous training for the cadets including water-powered rockets, archery, water sports and survival skills.

Drama

The school continued to live up to its reputation for excellence in the dramatic arts producing an internal and external output of consistently high quality. Exam results elicited this response from the exam board: "The quality of practical work in this centre is second to none: thank you for providing such professional output." Students were successful in entering for the National Youth Theatre and National Youth Music Theatre, and performed in West End blockbusters, such as the smash-hit Harry Potter. Fresh from the success of our Edinburgh Festival Hit 'The Silence at The Song's End' raised money for charity. An Evening of Victoria Wood was a hilarious evening of iconic sketches and songs from one of our country's best-loved comedienne, who is unfortunately no longer with us. A drama scholar spent the summer performing at the Pendley Shakespeare Festival. 'Brief Encounter' was the jewel in the crown of the year's productions. 'One Man Two Guvnors' brought a slice of the 1960s complete with slapstick chaos, fire extinguishers, brown furniture, a live band and much hilarity. 'The Odyssey' illustrated why theatre has such a powerful and lasting effect on young people. 'Lunchtime Theatre' provided a chance for staff, students and the

community to watch the original work of our examination students, which we also entered into the Leatherhead Drama Festival, winning first place with a dynamic Berkovian performance of *The Darwin Awards*. We added 'Musical Theatre Club' and 'Dance Club' to our existing vibrant extra-curricular programme.

Duke of Edinburgh Award (DofE)

RGS DofE is an outstandingly successful and popular part of the school. There are record numbers achieving all awards and a thriving training program. Over 400 students from the Third to the Sixth Form are enrolled in the DofE. Over 80% of those who enrol complete their award, which is an outstanding achievement. Reigate Grammar School consistently appears as one of the most successful DofE school units in the country and last year earned the most Gold Awards of any school in the South East.

The quality and scope of DofE provision at RGS continues to grow, thrive and develop as able and dedicated staff seek to work with our unit.

House System

The House system at RGS is embedded not just in a competitive sense, but in continuing to grow a sense of community from the oldest to the youngest students. This is evident in the enthusiastic support at all events, it is growing more clear too in the time spent every week in house families. *House Singing* set the tone for the year to come as a harmonious delight for participants and spectators alike, whilst the diversity of the events of the *House Activities Cup* such as *House Drama*, *House Chess*, *Gun Run*, *Bake Off*, *Junior* and *Senior Quiz* were as hotly contested as ever. The *House Sports Cup* was contested with the usual gamut of sports, including a well-supported staff netball tournament, whilst events continued to be held throughout the year in support of the *House Charities*. *Winter Sports Saturday* took place again with students representing Houses in Rugby and Hockey, whilst the pinnacle of the Summer Term in *House Sports Day* combined Athletics with Cricket, Tennis and Rounders to ensure that everyone had their opportunity to play a part in ensuring the fortunes of their House.

Music

The music department embarked on a number of exciting new projects as well as building on the success of existing events. The programme of live music continues to thrive, from informal concerts and *Unplugged* events for soloists and duets, to a growing number of small ensembles run by expert visiting music teachers, and the ever-popular bands, orchestras and choirs which feature in the major concerts of the year. Live musical performances continue to be an integral part of admissions events, whole school assemblies and services, and the regular programme of morning assemblies in school.

A new item in the school calendar was a joint choir tour, with Polyphony chamber choir and the Godfrey Searle Choir combining to sing evensong services at Sherborne Abbey and Wells and Salisbury cathedrals. This provided opportunity for pupils aged 8 to 18 to enjoy a high level of music-making in inspiring venues. Another new event which also offered opportunities to all ages and different groups in the RGS community was a carol competition, which saw 20 new student compositions refined, workshopped and performed live in December.

New outreach events were organised for pupils of Micklefield and Chinthurst schools, during which their musical performers visited RGS and worked on musical theatre pieces which they presented to parents. In March, musicians collaborated with colleagues from the Drama department to put on a production of *The 25th Annual Putnam County Spelling Bee*. The other undoubted highlight was a school concert at St John's, Smith Square, London – a spectacular venue, and fit for a concert featuring 250 performers, comprising pupils of RGS and Micklefield schools, as well as parents and staff, and featuring a new student composition, written for the occasion, and a full performance of the beautiful Fauré Requiem.

A record 62 pupils combined to sing highlights of their year's programme on tour in Tuscany. Students found time to present a new Piano Showcase concert and a Shakespeare-themed song concert; they participated in the *Duet Philharmonic* orchestra, performing at the Royal Festival Hall; there was a 100% pass rate throughout the year in ABRSM individual music exams, Fifth Form students attained the department's best ever GCSE results, and two music students took up places to read music at Oxford University.

Model United Nations

This year has seen Model United Nations grow drastically. We attended more conferences than ever before and have more members than an ever on record. Our own conference, the twenty-first in the school's history, welcomed 260 delegates from 22 schools. RGS chaired the General Assembly as well as five other committees and a Security Council. The ReiMUN conference is extremely highly regarded in the MUN community because of the excellent quality of chairing, with the chairpersons assisting the less experienced delegates with resolution construction and debating. This has also propelled many of our chairs to take on leading roles in other conferences including London Oratory, Croydon High, Royal Russel, Haileybury and The International School of The Hague.

To prepare students for conferences, MUN holds two weekly debates (one for Junior and the other Senior) and conference preparation sessions, which focuses on skills such as public speaking lobbying and resolution writing. The clubs were very well attended, and particularly the junior MUN had dedicated and talented young debaters who continue to take key roles this year and are building up their Chairing skills with the help of the senior students. We also introduced a mentoring scheme within the club, fostering an environment in which more experienced members guide the younger students through the conference process: helping them research and checking their resolutions. We appointed a student MUN coordinator who facilitates these things, as well as helping to organise teams for conferences. The team of students have also written and delivered assemblies to the upper School and Sixth Form in the hope of educating and inspiring others and encouraging potential delegates to join.

RGS participated at the International School of The Hague, London Oratory, Croydon High, John Warner, Haileybury, St. Andrews (Dublin) conferences. The excellent contributions were reflected in the large number of highly commended and outstanding delegate awards achieved by RGS. In addition to this, the teamwork of the students within a delegation was recognised with awards as Highly Commended Delegation at Haileybury, best Delegation award at John Warner and Outstanding Delegation award at the Royal Russel International conference.

Sport

The future is blue and white! It has been an outstanding year of sport at RGS with the whole community getting behind our national successes. Our focus is not just to play sport, but to create an infectious desire to play it our way. Along with some wonderful performance-based successes our participations statistics across all year groups have increased, with more students than ever having the opportunity to represent the school in a sport of their choice.

Our sporting philosophy promotes a multi-sport approach and students are stretched and supported by a mix of sports teachers, academic staff and professional coaches. We are always seeking those additional one percenters and our coaching programmes are designed to give our students a tactical and technical grounding to be successful on the biggest stage while enjoying every moment of the journey.

Through our scholarship programme we endeavour to support our busiest students and give them the tools to reach the highest possible sporting level. The programme gives each student a sports mentor who is responsible for their timetable, extra-curricular commitments and training programmes. Our strength and conditioning coach works with students on specific sport related movements and through dedicated sessions looks to build up their body composition to maximise performance and minimise threat of injury. Our sports programme believes in giving all students the opportunity to benefit from the resources at our disposal and no students will be turned away or discouraged from taking their game to the next level.

Once again, we have achieved a record number of national, regional and county representatives across a wide variety of sports including; rugby, tennis, squash, cricket, hockey, girls cricket, girls' rugby, swimming, ultimate Frisbee, badminton, judo, high board diving, karate and trampolining. Along with these individual honours we have achieve national sporting recognition across Golf, Girls Hockey, Rugby, Cricket, Netball and Swimming. Particular highlights include; NatWest Rugby Plate National Champions, U14s and U16s qualifying for the South Finals of the National Competition and Swimming qualifying for the National Finals across multiple age groups.

We are thankful for the continued investment made by the Headmaster, the Bursar and the Parent and Friends Association ("PFA") which enables us to strategically invest in different sporting areas to maximise participation and performance successes. A new initiative for 2017-2018 is to increase the amount of video analysis we do on a weekly basis. Through investment from the PFA and our equipment budget we have been able to buy state of the art cameras and tripods to film sports fixtures.

While we want to be successful, it must be done the RGS way! We place a huge emphasis on how our students conduct themselves on and off the pitch and the school can be exceptionally proud of all students that wear the castle in sporting competition.

Reigate St Mary's Preparatory and Choir School

The academic year 2016 – 2017 was again successful and financially encouraging. The budget was ahead of schedule with the school generating a surplus of £286k (vs prior year £267k). This surplus has been used to re-invest in facilities, IT infrastructure and staffing levels to further improve the already excellent educational provision.

At the end of the academic year 86% of children gained places at Reigate Grammar School, others left to join selective independent senior schools in the area including Epsom College, St John's School and Dunottar School.

A broad range of extra-curricular activities, educational visits and summer residential trips complimented the wide-ranging and stimulating formal curriculum. The choice of extra-curricular activities has grown with hockey and rugby

becoming stronger each year, with the dance elective becoming the most popular in the school, with an expansion of musical endeavours and informal concerts as well as a significant amount of charitable fund raising for local, national and international charities.

Numbers remain strong and the school continues to grow with more than 100 families on the waiting list.

Chinthurst School Educational Trust

Chinthurst School Educational Trust ('Chinthurst'), an independent preparatory school in Tadworth, Surrey, merged with RGS on Friday 17 February 2017. Under the new arrangements, Chinthurst retains its name and will be fully supported to grow, thrive and, importantly, retain and develop its current ethos – a caring, family atmosphere where children from age 2 to 11 have fun and enjoy their learning. Miss Cathy Trundle, former Deputy Headteacher at RSM, joined Chinthurst School as Headteacher on 20 February 2017 to provide leadership for a secure and exciting future.

Excellent results were received by both our Year 6 and Year 8 students in their entrance exams in summer 2017. With a third receiving Scholarships for 13+ places and a third of the children receiving scholarships at 11+ entry. The final year 8 class left in July 2017 and Chinthurst is now running as a co-educational 11+ school from September 2017 onwards. There were 31 new pupils at the beginning of the 2017 – 2018 academic year. The increased pupil numbers at the school since becoming a part of the Reigate Grammar school family has allowed the school to invest further in the school, such as through purchasing new resources and carrying out some facility improvements.

Fixtures, tournaments and sports tours continued to run with both boys and girls team successes being ahead of the previous academic year. During the Summer Term 2017 Years 4, 5 and 6 residential trips were offered once more with the majority of the children partaking in these and benefiting from challenging, team building and inspiring activities.

The RGS Foundation – 1675 Bursary Fund

The Foundation and Alumni Office has the twin purpose of maintaining contact with alumni through various events and reunions and the important task of obtaining donations for the Changing Lives campaign. With clusters of alumni now in contact in North America, Singapore, Hong Kong, the Middle East and Australia, as well as those in this country, these twin objectives have been very successfully achieved, resulting in support being provided during the 2016/2017 academic year for twenty-nine recipients of 1675 scholarship awards, with a value of £270,000 (2016: £170,048).

Developments and Plans for the future

At the Grammar School, minor improvements were made during the summer of 2016, including the refurbishment of the RGS staff common room and the toilet facilities in the RGS main building. At Reigate St Mary's, the Green Rooms have been refurbished and a new eco-playground has also been built.

Harrison Centre – a new State-of-the-Art Learning Centre at the heart of RGS

RGS has built a new Learning Resource Centre at the Grammar School incorporating a new Sixth Form Centre, eight new classrooms and a university-style library, which opened in September 2017. The Peter Harrison Foundation is providing a £4 million grant to support this new state-of-the-art learning centre at the heart of the Reigate Grammar School (RGS) campus. This grant was fully recognised as income in the statutory accounts for the year ended 31 August 2016. By 31 August 2017, £1.95m of this grant had been received.

A new Sixth Form Centre with café, study area and social facilities allowing students to study, learn and relax is included in the building. The new facilities will enable increased technology-rich learning for students of all ages and are surrounded by landscaped gardens. Plans for the centre have been created by award winning architect Cindy Walters, from firm Walters and Cohen, who has focused on creating a beautiful, innovative building with an environmentally sustainable design.

Reserves Policy

The Governors adopt a prudent and cautious approach in managing the financial resources of the School. They maintain close control over expenditure and set fee income at a level which will:

- meet all revenue expenditure, as well as the cost of providing some bursaries;
- generate a surplus sufficient to provide an adequate level of interest cover on the School's financing costs;
- provide a level of cash flow that is appropriate for the financing of the School's capital expenditure programme;
- maintain, as far as possible, stability in student numbers; and
- recognise the deficit on the Surrey County Council defined benefit pension scheme, which amounted to £1,323,000 as at 31 August 2017 and which is classified within the general funds of the group. This deficit represents a long-term obligation in respect of some of its employees but it does not represent an immediate call on the Group's resources so there is no resultant limitation on the application of the Group's general fund or of its restricted funds.

The RGS Charity has seven restricted funds totalling £4.6m, as follows (please refer to Note 16 for more details):

- The RGS Foundation was set up to hold monies from fundraising undertaken by the School. All monies received have been credited, on the instructions of the individual donors, either to the 1675 Bursary Fund (which has £1.2m at 31 August 2017), or to a General Fund (which has £81k at 31 August 2017);
- The Peter Harrison Centre Fund represents grant funding awarded by the Peter Harrison Foundation towards the purchase of land and the costs of building the Harrison Centre. Two distinct grants have been made by this Foundation: a grant of £925k to purchase the site and a grant of £3,075,000 towards building costs. In addition, a grant of £234k was received from the Peter Harrison Heritage Foundation to fund specific additional work to the Centre, which has also been credited to this Fund. The building project is ongoing so the whole of the grant which relates to the building costs will remain in restricted funds until the full completion of the project; and
- Five smaller restricted funds, with their associated values as at 31 August 2017: the Stanley James Osmond Bequest (for the house system at RSM, £5k), the George Gow Bequest (for the promotion of golf at RGS, £2k), the Paul Flanagan Prize (for the provision of an annual prize for Economics, £0.3k), and the Club Twickenham Fund (for the balloting of international rugby tickets (£15k). The Opportunities Fund was merged with the 100 Club Fund to form the Club Twickenham Fund.

The RGS Trust has three restricted funds totalling £2.2m as follows (please refer to Note 16 for more details):

- The Paul Bewshea Fund (to provide financial assistance to students who have shown an interest in aviation or science as a career, £50k);
- The Foundation and Charity Funds (for prizes and awards, £14k); and
- The Godfrey Searle Property Fund (created by the donation of land and buildings by the Godfrey Searle Choir Trust in 2011, £2,161k).

As a consequence of this approach, all of the School's unrestricted reserves have been re-invested to improve the facilities of the School so it has no free reserves as defined by the Charity Commission. The Governors consider that the School's assets are sufficient to meet its obligations.

Financial Results

In these Financial Statements for the year ended 31 August 2017, the 'Charity' represents the results of RGS and RSM. The 'Group' results include the Charity, the RGS Trust and Reigate Grammar School Trading Limited for the twelve months ending 31 August 2017, along with the results of Chinthurst for the six months ending 31 August 2017.

During the year the Group achieved net income before other recognised gains and losses of £688,077 (2016: £4,577,918). The net assets of the Group increased from £15,663,322 to £18,540,026 during the year.

Risk Management and Internal Control

The School maintains a Major Risk Register which the Governance & Risk Management Committee reviews annually. The key risks identified, which are common to most independent schools, are the impact of the present economic climate on the ability of parents and prospective parents to afford fees, changes in the political climate and the challenges which would face the School if there was a major incident. Every major risk in the register has a number of separate actions which are taken in order to mitigate them as far as is possible. For example, fee increases are kept to a minimum to ensure that they remain affordable for current and prospective parents and budgets are prepared with contingencies for unexpected events. The school updates its Fire Procedures regularly and performs routine risk assessments of all extra-curricular and co-curricular activities.

The Committee monitors the effectiveness of internal and other controls which have been instigated to mitigate those perceived risks. The Committee also reviews any major risks that may arise from time to time, as well as the systems and procedures established to manage them. The Governors are satisfied that all major risks have been mitigated.

Investment Policy

The School's investments are no longer small in relation to its overall resources. Previously, a low risk strategy was followed with the major portion of the investments being held in common investment funds managed by CCLA, a specialist investment manager for charities, faith organisations, and local authorities.

During the 2016/17 academic year, the school selected an Investment Manager, Investec Wealth and Investment Limited (Investec), to manage funds on behalf of the RGS Foundation. A core strategic objective for the RGS Foundation and the 1675 Bursary Fund is to provide at least fifty sustainable places for 1675 Scholars by 2025 and to build an Investment Fund of at least £4m by this date. The RGS Foundation seeks to produce the best long-term financial return within an acceptable level of risk. We assume a 'medium' level of risk. The mandate to Investec as the Investment Manager is discretionary. As at 31 August 2017, the school had transferred £1m into this new Investec fund and an unrealised investment gain of £87,184 is recognised in the year.

Considering current conditions, the Governors are satisfied with the investment performance of both funds.

Statement of Governors' Responsibilities

The Governors (who are also directors of Reigate Grammar School for the purposes of Company Law) are responsible for preparing the Annual Report of the Governors, incorporating the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of the incoming resources and application of resources of the Group. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

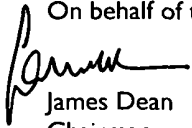
- There is no relevant audit information of which the Charity's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors haysmacintyre have expressed their willingness to continue in office and a resolution to re-appoint them will be submitted to the Governors.

In signing this Report, the Board are also approving the Strategic Report included within these Financial Statements in their capacity as company directors.

On behalf of the Board



James Dean
Chairman

25 May 2018

Reigate Grammar School
Reigate
Surrey
RH2 0QS

Independent auditors' report to the members of Reigate Grammar School

Opinion

We have audited the financial statements of Reigate Grammar School for the year ended 31 August 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2017 and of the group's and parent charitable company's net movement in funds, including the 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.

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.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the governors' responsibilities statement set out on page 12, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 governors are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 governors are responsible for the other information. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

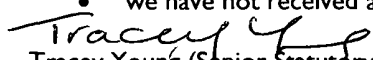
- the information given in the Governors' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' 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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Tracey Young (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

25 May 2018

Consolidated Statement of Financial Activities

(incorporating income and expenditure account)
for the year ended 31 August 2017

		Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	Notes	£	£	£	£
Income from:					
Charitable activities:					
School fees receivable	1	18,923,417	-	18,923,417	16,847,380
Registration fees		55,923	-	55,923	43,854
Trip income		775,587	-	775,587	681,916
Other educational income	2	106,745	-	106,745	69,203
Donations and legacies	3	388	499,120	499,508	4,530,819
Lettings		130,805	-	130,805	134,571
Investments		3,465	20,451	23,916	36,782
Other income		42,994	184	43,178	-
Total Income		20,039,324	519,755	20,559,079	22,344,525
Expenditure on:					
Raising funds:					
Fundraising & Development		285,595	-	285,595	285,096
Charitable activities:					
Education		19,282,191	303,216	19,585,407	17,487,869
Total Expenditure	4	19,567,786	303,216	19,871,002	17,772,965
Net Income from operations before transfers and investment gains		471,538	216,539	688,077	4,571,560
Unrealised investment gains	8	17,212	187,794	205,006	6,358
Transfers between funds	16	2,248	(2,248)	-	-
Net Income		490,998	402,085	893,083	4,577,918
Pension scheme actuarial gains/ (losses)	19	1,724,000	-	1,724,000	(841,000)
Net Movement in Funds for the year		2,214,998	402,085	2,617,083	3,736,918
Transfer of net assets of Chinthurst	20	252,441	7,180	259,621	-
Balance brought forward at 1 September 2016		9,256,499	6,406,823	15,663,322	11,926,404
Balance carried forward at 31 August 2017		£11,723,938	£6,816,088	£18,540,026	£15,663,322

There were no recognised gains and losses other than those shown in the above Statement of Financial Activities. The accompanying notes form an integral part of this Statement of Financial Activities. Detailed comparative figures are shown in note 22.

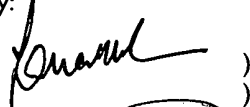
Balance Sheets as at 31 August 2017

		Group		Charity	
		2017	2016	2017	2016
	Notes	£	£	£	£
Fixed Assets					
Tangible	7	34,630,240	28,703,481	32,360,629	27,042,766
Investments	8	1,876,303	670,848	1,166,599	68,625
		36,506,543	29,374,329	33,527,228	27,111,391
Current Assets					
Debtors due after more than one year	9	1,537,500	2,050,000	1,537,500	2,050,000
Debtors due within one year	9	930,566	1,104,467	1,291,824	1,375,281
Cash at bank and in hand		2,170,654	138,489	1,858,827	-
		4,638,720	3,292,956	4,688,151	3,425,281
Creditors: due within one year	10	(8,760,564)	(5,552,271)	(8,290,741)	(5,551,171)
Net Current Liabilities		(4,121,844)	(2,259,315)	(3,602,590)	(2,125,890)
Total Assets less Current Liabilities		32,384,699	27,115,014	29,924,638	24,985,501
Creditors: due after more than one year	11	(12,521,673)	(8,714,692)	(12,438,491)	(8,714,692)
Net Assets excluding Pension Scheme Liability		19,863,026	18,400,322	17,486,147	16,270,809
Pension Scheme Liability	19	(1,323,000)	(2,737,000)	(1,323,000)	(2,737,000)
Net Assets		£18,540,026	£15,663,322	£16,163,147	£13,533,809
Represented by:					
Unrestricted Funds:					
Designated Funds	15	286,388	282,814	282,814	282,814
General Reserve	15	12,760,550	11,710,685	12,619,142	11,710,685
Pension Scheme Reserve	15	(1,323,000)	(2,737,000)	(1,323,000)	(2,737,000)
Restricted Funds	16	6,816,088	6,406,823	4,584,191	4,277,310
		£18,540,026	£15,663,322	£16,163,147	£13,533,809

The Parent charitable company's net movement in funds for the year was £2,629,338 (2016: £3,738,734).

The financial statements were approved and authorised for issue by the Board and signed below on its behalf on 25 May 2018 by:

James Dean



Mark Elsey



GOVERNORS

The accompanying notes are an integral part of this balance sheet.

Consolidated Cash Flow Statement for the year ended 31 August 2017

	2017		2016	
	£	£	£	£
Net cash outflow from operations (note (i))				
Net cash provided by operating activities		4,940,578		4,706,408
Cash flows from investing activities:				
Payments for tangible fixed assets	(6,825,004)		(3,893,045)	
Payments to acquire investments	(1,000,000)		-	
Investment income and bank interest received	23,916		36,784	
Cash addition relating to Chinthurst	159,445		-	
Net cash used in investing activities		(7,641,643)		(3,856,261)
Cash flows from financing activities:				
Finance costs paid	(464,632)		(331,055)	
Repayment of bank loan	(703,432)		(703,432)	
Drawdown of new loan facilities	7,000,000		-	
Net cash used in financing activities		5,831,936		(1,034,487)
Increase/(decrease) in cash in the year		3,130,871		£(184,340)
Opening cash and cash equivalents		(960,217)		(775,876)
Closing cash and cash equivalents		£2,170,654		£(960,217)
Cash and cash equivalents comprise				
Cash at bank		2,170,654		138,489
Overdraft		-		(1,098,706)
		£2,170,654		£(960,217)

(i) Reconciliation of net income to net cash flow from operating activities

	2017		2016	
	£	£	£	£
Net income before investment gains	688,077		4,571,560	
Depreciation	1,244,898		1,156,190	
Investment income	(23,916)		(36,782)	
Interest payable	464,632		331,055	
Defined benefit pension scheme costs	818,000		635,000	
Defined benefit pension scheme contributions	(508,000)		(525,000)	
Decrease/(increase) in debtors	744,362		(2,772,157)	
Increase in creditors	1,512,525		1,346,542	
		£4,940,578		£4,706,408

Accounting Policies

for the year ended 31 August 2017

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015.

Critical accounting judgments and key sources of estimation uncertainty

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

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The key judgements affecting the application of accounting policies relate to:

1. The useful economic lives of tangible fixed assets
2. The fair value of the group's investment property
3. The assumptions underlying the valuation of the defined benefit pension scheme liability

(a) Accounting Convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments.

(b) Basis of Consolidation

The activities of the School's two subsidiary charities (the Reigate Grammar School Trust and the Chinthurst School Educational Trust) and its non-charitable trading subsidiary (Reigate Grammar School Trading Limited) have been included in the consolidated accounts on a line-by-line basis and are classified appropriately within restricted and unrestricted funds.

(c) Going concern

The Governors consider that there are no material uncertainties that would cast doubt on the School's ability to continue as a going concern.

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

(d) Revenue recognition

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

Tuition fees, less any allowances, bursaries or scholarships awarded from unrestricted funds, are recognised in the period in which the service is provided.

Grants, investment income, including interest receivable, and other miscellaneous income are accounted for on a receivable basis.

Donations are accounted for on a received basis.

Other income, which includes fees from lettings and insurance commissions, is accounted for on a receivable basis.

(e) Expenditure

Expenditure is recognised as soon as the related liability is incurred and has been classified under headings that aggregate all costs relating to that category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the School to the expenditure.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Expenditure on raising funds comprises fundraising costs. Finance costs comprise loan interest payable and the net interest cost relating to the defined benefit pension scheme.

Expenditure on charitable activities comprises expenditure directly related to the provision of education.

Support costs represent indirect costs relating to raising funds and the School's charitable activity. Support costs, including governance costs, are allocated to activities on bases that represent the Trustees' best estimate of actual use.

Governance costs comprise the costs of running the School as a charity, including strategic planning for its future development, auditors' remuneration, certain legal costs and all costs of complying with constitutional and statutory requirements, such as costs of Board meetings and of preparing the statutory accounts.

Operating lease rentals are recognised on a straight line basis over the term of the lease.

(f) Tangible fixed assets and depreciation

The School has elected to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the freehold land and buildings previously carried at a valuation, as their deemed cost. All other fixed assets are recognised at cost.

Depreciation is provided on freehold buildings in use at two per cent per annum, other than the swimming pool (completed at the end of 2008) which is being depreciated over its estimated useful life of 20 years. The premises at Reigate St. Mary's are freehold assets held within The Reigate Grammar School Trust as a result of the transfer from The Godfrey Searle Choir Trust. The improvements thereon are held within the Charity balance sheet and depreciated at 2% per annum. Depreciation is not provided on Capital Works in Progress until final practical completion of the same.

Depreciation is provided on other fixed assets to write off their cost over estimated useful lives at the following rates:

Freehold Improvements	5% straight line
All weather pitch	5% straight line
Furniture, fittings and equipment	20% straight line
Motor vehicles	25% straight line
Computers	33% straight line

(g) Investments

Investments are stated at market value and the investment property stated at open market value. Any gains or loss on revaluation is taken to the Statement of Financial Activities.

(h) Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

(i) Pension Schemes

The teaching staff are members of the Department for Education superannuation scheme, run by Teachers' Pensions.

Other (non-teaching) staff may be members of the Surrey County Council pension scheme. This is a defined benefit pension scheme. The School is a member of the Small Admitted Bodies Pool (SABP) within the overall pension fund.

In accordance with FRS 102 the following elements are charged to the SOFA:

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

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

(j) Funds

Unrestricted Funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted. They are available for use at the discretion of the Governors in furtherance of the general objectives of the School.

The Designated Funds portion of the Unrestricted Funds represents that part of the accumulated surplus which has already been specifically designated for future disbursement.

The Restricted Funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The Pension Scheme Reserve represents the deficit on the Surrey County Council defined benefit pension scheme which is attributable to the school's employees.

Notes to the Financial Statements for the year ended 31 August 2017

1. Fees

	2017		2016	
	£	£	£	£
Gross fees		21,847,125		19,617,333
Total bursaries, scholarships and allowances	(3,320,419)		(3,066,710)	
Less : Externally funded bursaries	396,711		296,757	
		(2,923,708)		(2,769,953)
		<u>£18,923,417</u>		<u>£16,847,380</u>

2. Other educational income

	2017	2016
	£	£
Insurance fees	53,089	65,821
Sundry other income	53,656	3,382
	<u>£106,745</u>	<u>£69,203</u>

3. Donations and legacies

	2017	2016
	£	£
Grant from the Peter Harrison Foundation	-	4,000,000
Grant from the Peter Harrison Heritage Foundation	234,240	-
1675 Bursary Fund donations	257,884	442,420
Other donations and legacies	7,384	88,399
	<u>£499,508</u>	<u>£4,530,819</u>

Notes to the Financial Statements
Continued

4. Analysis of Total Expenditure

	Staff Costs	Other	Depreciation	Total 2017	Total 2016
£	£	£	£	£	£
Raising funds:					
Fundraising and development costs	171,856	113,739	-	285,595	285,096
Charitable activity:					
School operating costs					
Teaching costs	10,524,574	1,487,035	407,477	12,419,086	11,523,363
Trip expenditure	-	769,757	-	769,757	687,917
Welfare	73,544	487,340	110	560,994	506,078
Premises	897,741	1,224,541	837,311	2,959,593	2,691,995
Support	1,354,575	722,932	-	2,077,507	1,503,885
Grants, awards and prizes	-	276,838	-	276,838	176,576
Finance costs	57,000	464,632	-	521,632	398,055
	12,907,434	5,433,075	1,244,898	19,585,407	17,487,869
	£13,079,290	£5,546,814	£1,244,898	£19,871,002	£17,772,965

The balance of finance costs included within the 'Staff costs' column in the table above, reflect the net finance costs/(income) on the Surrey County Council defined benefit scheme (see note 19 for further details).

Support costs include the following major categories of expenditure: Governance costs, marketing costs, professional fees and administrative costs. Governance costs comprise audit fees and expenses relating to Governors' meetings.

Notes to the Financial Statements
Continued

4. Analysis of Total Expenditure (continued)

	2017	2016
	£	£
Other costs comprise:		
Bank and loan interest (see Note 12)	464,632	331,055
Transport costs	235,484	191,403
Staff recruitment, training and travel	148,341	145,988
Syllabus (incl. printing)	544,302	555,965
School trips	769,757	687,917
Catering	411,381	405,810
Premises	665,437	922,523
Rent, rates light and heat	366,239	328,375
Marketing	159,855	165,885
Insurances	72,844	89,018
Postage and telephone	53,267	55,739
Professional fees	260,013	76,154
Bursaries funded from restricted funds	270,000	170,048
Other	1,125,262	891,135
	<u>£5,546,814</u>	<u>£5,017,015</u>

Notes to the Financial Statements
Continued

5. Operating Expenditure

	2017	2016
	£	£
Auditors' remuneration:		
For audit (excluding VAT)	18,715	19,000
Other services (excluding VAT)	-	500
Depreciation	1,244,898	1,156,190

The School acquires Governor's liability insurance that forms part of the public liability cover for the School. The annual premium is not separately identifiable.

6. Staff Costs

	2017	2016
	£	£
Staff Costs		
Salaries and wages	10,101,297	9,236,112
Social security costs	986,285	799,788
Pension costs	1,991,708	1,563,860
	<u>£13,079,290</u>	<u>£11,599,760</u>
Aggregate employee benefits of key management personnel	<u>£618,531</u>	<u>£494,068</u>

Notes to the Financial Statements

Continued

6. Staff Costs (continued)

The average weekly number of employees during the year was made up as follows:

	2017	2016
	No.	No.
Teaching (including teaching support staff)	239	222
Welfare	22	15
Premises	20	18
Support (including management and administration)	39	34
	<u>320</u>	<u>289</u>

Number of employees where emoluments exceeded £60,000 were:

	2017	2016
	No.	No.
£60,000 – 70,000	-	1
£70,000 – 80,000	1	-
£80,000 – 90,000	3	3
£90,000 – 100,000	1	1
£100,000 – 110,000	-	1
£110,000 – 120,000	1	-
£190,000 – 200,000	1	1
	<u>7</u>	<u>7</u>

All 7 of these employees have retirement benefits accruing under defined benefit pension schemes (2016: 7).

During the year there were termination payments totalling £134,304 (2016: £nil).

Neither the governors nor persons connected with them received any remuneration or other benefits from the School.

Notes to the Financial Statements
Continued

7. Tangible Fixed Assets – Group

	Freehold Land & Buildings	Furniture, Fittings & Equipment	Motor Vehicles	Computers	Group Total
Cost	£	£	£	£	£
At 1 September 2016	34,693,329	2,099,565	343,318	2,241,896	39,378,108
Additions	6,413,339	432,158	70,415	255,745	7,171,657
At 31 August 2017	41,106,668	2,531,723	413,733	2,497,641	46,549,765
Depreciation					
At 1 September 2016	(6,795,526)	(1,786,802)	(319,421)	(1,772,878)	(10,674,627)
Charge for the period	(708,648)	(198,149)	(29,174)	(308,927)	(1,244,898)
At 31 August 2017	(7,504,174)	(1,984,951)	(348,595)	(2,081,805)	(11,919,525)
Net Book Value					
At 31 August 2017	£33,602,494	£546,772	£65,138	£415,836	£34,630,240
At 31 August 2016	£27,897,803	£312,763	£23,897	£469,018	£28,703,481

Notes to the Financial Statements

Continued

7. Tangible Fixed Assets (continued) – Charity

	Freehold Land and Buildings £	Furniture, Fittings and Equipment £	Motor Vehicles £	Computers £	Charity Total £
Cost					
At 1 September 2016	32,977,194	2,099,565	343,318	2,241,896	37,661,973
Additions	5,866,033	355,577	69,649	244,930	6,536,189
At 31 August 2017	38,843,227	2,455,142	412,967	2,486,826	44,198,162
Depreciation					
At 1 September 2016	(6,740,108)	(1,786,802)	(319,421)	(1,772,877)	(10,619,208)
Charge for the period	(693,471)	(190,472)	(29,064)	(305,318)	(1,218,325)
At 31 August 2017	(7,433,579)	(1,977,274)	(348,485)	(2,078,195)	(11,837,533)
Net Book Value					
At 31 August 2017	£31,409,648	£477,868	£64,482	£408,631	£32,360,629
At 31 August 2016	£26,237,086	£312,763	£23,897	£469,019	£27,042,766

Notes to the Financial Statements

Continued

8. Investments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Market value brought forward	670,848	664,490	68,625	62,203
Additions	1,000,449	-	1,000,000	-
Change in market value	205,006	6,358	97,974	6,422
Disposal	-	-	-	-
Market value carried forward	<u>£1,876,303</u>	<u>£670,848</u>	<u>£1,166,599</u>	<u>£68,625</u>
Historical cost	<u>£1,427,422</u>	<u>£427,422</u>	<u>£1,013,757</u>	<u>£13,757</u>

The investments include an investment property, which is a bungalow at 18 The Close, Reigate. As at 31 July 2014, this bungalow was revalued to £600,000 on an open market basis following valuations by three independent Reigate-based estate agents. The value is not deemed to have materially changed during this academic year, and therefore no further revaluations have been performed.

9. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Tuition fees	128,748	315,288	104,622	315,288
Grant receivable	512,500	512,500	512,500	512,500
Prepayments	266,622	225,761	236,665	225,761
Sundry debtors	22,696	50,918	10,153	44,906
Intercompany debtors	-	-	427,884	276,826
	<u>£930,566</u>	<u>£1,104,467</u>	<u>£1,291,824</u>	<u>£1,375,281</u>

In 2016 the School was awarded a grant of £3,075,000 by the Peter Harrison Foundation towards the costs of the Merrick House project. The grant is to be received in six equal tranches of £512,500 over a six-year period, of which two had been received as at 31 August 2017. The total amount receivable under the grant agreement is therefore £2,050,000 of which £1,537,500 is due to be received after more than one year.

Notes to the Financial Statements
Continued

10. Creditors: falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Bank loan	3,797,182	703,432	3,797,182	703,432
Bank overdraft	-	1,098,706	-	1,098,706
Trade creditors	1,717,266	563,461	1,586,934	563,461
Tax and social security	257,185	429,448	240,894	429,448
Other creditors and accruals	431,449	614,611	302,097	613,511
Composition fees	1,238,877	1,183,676	1,238,877	1,183,676
Entrance deposits	170,548	82,650	160,450	82,650
Fees received in advance	1,148,057	876,287	964,307	876,287
	£8,760,564	£5,552,271	£8,290,741	£5,551,171

The bank loans and overdraft facility are secured on certain freehold properties owned by the School.

11. Creditors: falling due in more than one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Bank loan (Note 12)	9,827,482	6,624,664	9,827,482	6,624,664
Entrance deposits	575,800	543,600	543,600	543,600
Composition fees	2,118,391	1,546,428	2,067,409	1,546,428
	£12,521,673	£8,714,692	£12,438,491	£8,714,692

Notes to the Financial Statements

Continued

12. Loans

The bank loan is repayable as follows:

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Within one year	3,797,182	703,432	3,797,182	703,432
One to two years	1,328,432	703,432	1,328,432	703,432
Two to five years	3,485,296	2,110,296	3,485,296	2,110,296
Over five years	5,013,754	3,810,936	5,013,754	3,810,936
	<u>£13,624,664</u>	<u>£7,328,096</u>	<u>£13,624,664</u>	<u>£7,328,096</u>

Some £4.5 million of the long-term debt was fixed from 7 June 2013 for a period of 5 years at an all-in rate of 3.95%. Interest on the balance is paid at normal commercial rates. On 27 August 2015, the amortizing balance of £4.5 million of the long-term debt has been forward fixed at a rate of 4.01% from 7 June 2018 to 7 June 2026. The School entered into a 'Revolving Credit Facility' ('RCF') and a Term Loan facility with the bank in January 2016. Under the RCF up to £3m can be drawn down at any one point in time. £2.5m of this facility was drawn down as at 31 August 2017. The Term loan was for £5m, of which £4.5m was drawn down as at 31 August 2017.

13. Financial instruments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Financial assets measured at fair value	£3,346,957	£209,337	£3,025,426	£68,625
Financial assets measured at amortised cost	£2,201,444	£2,928,706	£2,314,774	£3,199,520
Financial liabilities measured at amortised cost	£20,593,603	£13,837,525	£20,186,241	£13,836,415

Financial assets measured at fair value comprise listed investments and cash.

Financial assets measured at amortised cost comprise fee debtors and other receivables.

Financial liabilities measured at amortised cost comprise bank loans and overdraft, trade creditors and other payables.

Notes to the Financial Statements
Continued

14. Operating Lease Commitments

At 31 August 2017, the Charity and Group had the following commitments under non-cancellable operating leases.

	2017	2016	2017	2016
	Land and buildings		Other	
	£	£	£	£
Operating leases which expire:				
Within one year	165,268	-	567	18,868
In two to five years	650,000	-	-	5,050
After more than five years	2,603,200	-	-	-
	<u>£3,418,468</u>	<u>£-</u>	<u>£567</u>	<u>£23,918</u>

The Land and Buildings lease is in respect of the Chinthurst School property, the Other leases are in respect of equipment used by RGS.

15. Unrestricted Funds – Group and Charity

	01-Sep-16	Income	Expenditure	Transfers and Investment Gains and Losses	31-Aug-17
	£	£	£	£	£
Designated Funds:					
Building Development Fund	282,814	-	-	-	282,814
Chinthurst	-	-	-	3,574	3,574
General Reserve	11,710,685	20,039,324	(19,257,786)	268,327	12,760,550
Pension scheme reserve	(2,737,000)	-	(310,000)	1,724,000	(1,323,000)
Total unrestricted funds	<u>£9,256,499</u>	<u>£20,039,324</u>	<u>£(19,567,786)</u>	<u>£1,995,901</u>	<u>£11,723,938</u>

The Building Development Fund consists of receipts the Governors have set aside for repairs to the all-weather pitch and similar projects.

Notes to the Financial Statements
Continued

16. Restricted Funds – Group and Charity

	01-Sep-16	Income	Expenditure	Transfers and Investment Gains and Losses	31-Aug-17
	£	£	£	£	£
Charity					
RGS Foundation					
- 1675 Bursary Fund	1,099,249	255,095	(270,000)	87,184	1,171,528
- General Fund	79,193	2,171	-	-	81,364
Stanley James Osmond Bequest	5,442	-	-	-	5,442
George Gow Bequest	1,673	-	-	-	1,673
Paul Flanagan Prize	290	-	-	-	290
Club Twickenham	14,917	3,861	(5,670)	1,546	14,654
Opportunities Fund	1,546	-	-	(1,546)	-
Peter Harrison Centre Fund	3,075,000	234,240	-	-	3,309,240
Total Charity:	4,277,310	495,367	(275,670)	87,184	4,584,191
RGS Trust					
Paul Bewshea Fund	52,782	1	(3,275)	-	49,508
Foundation and Charity Funds	13,850	113	(275)	266	13,954
Godfrey Searle Property	2,062,881	20,451	(22,475)	100,000	2,160,857
Total RGS Trust:	2,129,513	20,565	(26,025)	100,266	2,224,319
Chinthurst					
CPA Fund	-	3,639	(1,391)	(2,248)	-
Iling Prize Fund	-	184	(130)	771	825
Revaluation reserve	-	-	-	6,753	6,753
Total Chinthurst:	-	3,823	(1,521)	5,276	7,578
Total Group Restricted Funds:	£6,406,823	£519,755	£(303,216)	£192,726	£6,816,088

Notes to the Financial Statements

Continued

16. Restricted Funds (continued)

The Charity has seven restricted funds, as follows:

- The RGS Foundation was set up to hold monies from fundraising undertaken by the School. All monies received have been credited, on the instructions of the individual donors, either to the 1675 Bursary Fund, or to a General Fund. This latter Fund is used to finance the cost of equipment or minor works that would not normally be funded by the School. Potential donors are made aware of these items which have been specifically identified in advance by the School. All Foundation monies held are recorded as separate restricted funds of Reigate Grammar School.
- The Stanley James Osmond Bequest represents monies left to Reigate St Mary's Preparatory & Choir School for the express benefit of the four "houses" at that school.
- The George Gow Bequest represents monies left to the Reigate Grammar School for the promotion of golf as an alternative sport.
- The Paul Flanagan Prize represents money donated to the School by the widow of Paul Flanagan, late Head of Economics, for the express purpose of providing an annual prize for Economics.
- The 100 Club Fund (which had been established to raise funds for the RGS Foundation through the balloting of international rugby tickets) and the Opportunities Fund (which had been established to create a general pool of funds to subsidise students to go on school trips) have been merged to form the 'Club Twickenham Fund'.
- The Peter Harrison Centre Fund represents grant funding awarded by the Peter Harrison Foundation towards the purchase of land and the costs of building the Peter Harrison Centre. Two distinct grants have been made by the Foundation: a grant of £925k to purchase the site and a grant of £3,075,000 towards building costs. The purchase of the site was completed during the year, so the funds relating to this have been transferred to unrestricted funds. The building project is ongoing so the whole of the grant which relates to the building costs will remain in restricted funds until the completion of the project. In addition, the School received a grant of £234k from the Peter Harrison Heritage Foundation to fund additional work on the Harrison Centre which has been credited to this fund.

The RGS Trust has three funds, as follows:

- The Paul Bewshea Fund was set up to provide financial assistance to students who have achieved excellent academic results and have also shown an interest in aviation or science as a career.
- The Foundation and Charity Funds were set up to provide for the cost of awarding, as appropriate, other prizes and awards.
- The Godfrey Searle Property Fund was created by the donation of land and buildings by the Godfrey Searle Choir Trust in 2011. The transfer of the land to the Trust, rather than to the School, reflected that the land, in part, is subject to permanent endowment. The costs of maintaining the properties are borne by the fund and income arising accrues to the fund.

Notes to the Financial Statements

Continued

16. Restricted Funds (continued)

Chinthurst has three funds as follows:

- The CPA fund is for donations that are given by the Chinthurst Parents' Association for the School to purchase specific items. The transfer out of this fund represents monies spent on tangible fixed assets during the year.
- The income from the Illing Prize Fund is used towards annual prizes given by the School. The Revaluation reserve fund represents cumulative unrealised gains on the Illing Prize Fund investments.

For details of the movements in restricted funds in the prior year, please refer to note 16 of the Group's financial statements for the year ended 31 August 2016.

17. Taxation

Reigate Grammar School, the RGS Trust and Chinthurst School Educational Trust are all registered charities and no taxation is payable on their income.

18. Capital Commitments

Group and Charity commitments for future capital expenditure and not provided for in these accounts were as follows:

	2017	2016
	£	£
Authorised and contracted	£1,927,485	£5,607,985
Authorised but not contracted	-	-

The capital commitments balance of £1,927,485 as at 31 August 2017 represents monies due to be paid by the school in relation to the construction of the new Library and Sixth form centre which was completed in Autumn 2017.

Notes to the Financial Statements

Continued

19. Pensions

The School operates the following pension schemes:

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,796,201 (2016: £1,680,000) and at the year-end £141,913 (2016: £140,184) was accrued in respect of contributions to this scheme.

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

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

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

b) Surrey County Council Final Salary Pension Scheme

Other (non-teaching) staff may be members of the Surrey County Council final salary pension scheme. The School is a member of the Small Admitted Bodies Pool (SABP) within the overall pension fund. The scheme is valued every three years by a qualified actuary using the projected unit actuarial method. The last two valuations have been performed by the actuary in March 2013 and March 2016 respectively. Rates of contribution have been set to meet 100% of the liabilities arising in respect of service after the valuation date over the average expected future membership period of the active members pertaining to each employer to reflect the shortfall of the value of each participating employer's notional share of the fund's assets compared with 100% of its accrued liabilities allowing for further pay increases.

The Audit & Governance Committee of the pension fund agreed that admitted bodies such as the School should make deficit contributions to the scheme over a period of 20 years. The contribution for the year to the end of March 2014 amounted to £104,000. The rate of contribution for three years from 1 April 2014 to 31 March 2017 is £89,000 per annum. Notwithstanding these deficit contributions that the School are required to make, employers' contributions have increased to 22.4% of salary with effect from 1 April 2014.

Notes to the Financial Statements

Continued

19. Pensions (continued)

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

The following underlying assumptions have been made in relation to the scheme:

Key financial assumptions	2017	2016
	%	%
Pension increase rate	2.4	2.1
Salary increase rate	2.7	2.4
Discount rate	2.5	2.0

Mortality assumptions	Males	Females
Current pensioners	22.5 years	24.6 years
Future pensioners (aged 45 at the last valuation date)	24.1 years	26.4 years

Historic mortality

Prior period life expectancy is based on the fund's VitaCurves data: year of birth; medium cohort; minimum 1% p.a. improvement from 2007.

Amounts recognised in the Balance Sheet are as follows:

Pension scheme asset/(liability)	2017	2016
	£'000	£'000
Fair value of scheme assets	10,505	9,226
Present value of defined benefit obligation	(11,828)	(11,963)
Net liability	£(1,323)	£(2,737)

Notes to the Financial Statements

Continued

19. Pensions (continued)

Fair value of scheme assets

	2017		2016	
	£'000	%	£'000	%
Equities	7,774	74	6,920	75
Bonds	1,576	15	1,568	17
Property	735	7	554	6
Cash	420	4	184	2
Total Scheme assets	£10,505	100	£9,226	100

Reconciliation of fair value of scheme assets

	2017	2016
	£'000	£'000
Opening fair value of scheme assets	9,226	7,505
Interest income on plan assets	188	286
Contributions by members	127	132
Contributions by employer	508	525
Return on assets excluding amount included in net interest	744	996
Estimated benefits paid	(288)	(218)
Closing fair value of scheme assets	£10,505	£9,226

Reconciliation of defined benefit obligation

	2017	2016
	£'000	£'000
Opening defined benefit obligation	11,963	9,291
Current service cost	761	568
Interest cost	245	353
Contributions by members	127	132
Change in financial assumptions	(447)	1,917
Other remeasurement differences	(533)	(80)
Estimated benefits paid	(288)	(218)
Closing defined benefit obligation	£11,828	£11,963



Notes to the Financial Statements

Continued

19. Pensions (continued)

The following amounts have been included in the Statement of Financial Activities:

Amounts recognised in charitable activities	2017 £'000	2016 £'000
Current service cost	761	568
Interest cost	245	353
Interest income on plan assets	(188)	(286)
Total net cost	£818	£635
Actual return on scheme assets	£932	£1,282

Analysis of remeasurement differences	2017 £'000	2016 £'000
Changes in financial assumptions	447	(1,917)
Other experience gains/(losses)	533	80
Return on assets excluding interest income	744	996
Total net remeasurement (loss)/gain	£1,724	£(841)

Sensitivity analysis	% increase to employer liability	Monetary amount £'000
0.5% increase in real discount rate	10%	1,143
0.5% increase in the Salary Increase Rate	1%	170
0.5% increase in the Pension Increase Rate	8%	957

The expected employer's contributions for the year to 31 August 2018 for the Surrey County Council Pension scheme are £512k.

Notes to the Financial Statements

Continued

20. Subsidiary undertakings

The School has three subsidiary undertakings: Reigate Grammar School Trust (RGST); Chinthurst School Educational Trust Ltd (Chinthurst); and Reigate Grammar School Trading Limited (RGS Trading). The School is the sole Trustee of RGST, a charity registered in England and Wales (Charity Number: 312030). The School is the sole member of Chinthurst and has the power to appoint a majority of Chinthurst's Governors. Chinthurst is a charitable company registered in England and Wales (Company number: 01223706; Charity number: 02771160A/I). The School owns 100% of the share capital of RGS Trading, a company registered in England and Wales (Company number: 10163737). RGS Trading was incorporated on 8 May 2016. A summary of their results for the year and balance sheet position as at 31 August 2017 is set out below:

	RGST		Chinthurst		RGS Trading
	2017	2016	2017	2016	2017
	£	£	£	£	£
Income and expenditure					
Income	20,565	36,349	1,409,702	1,422,800	3,000
Expenditure	(26,025)	(38,099)	(1,606,874)	(1,412,792)	(11,818)
Investment gains/(losses)	100,266	(65)	687	906	-
Surplus/(deficit) for the year	94,806	(1,815)	(196,485)	10,914	(8,818)
Balance sheet					
Tangible assets	1,383,249	1,394,715	619,995	490,767	-
Investments	702,489	602,223	7,215	6,528	266,367
Current assets	150,841	144,502	224,912	274,417	2,700
Current liabilities	(12,259)	(11,926)	(457,564)	(390,181)	(277,884)
Long term liabilities	-	-	(233,182)	(23,670)	-
Net assets/(liabilities)	2,224,320	2,129,514	161,376	357,861	(8,817)
Represented by:					
Share capital	-	-	-	-	1
Unrestricted funds	-	-	153,799	351,079	(8,818)
Restricted funds	2,224,320	2,129,514	7,577	6,782	-
Total funds	2,224,320	2,129,514	161,376	357,861	(8,817)

20. Subsidiary undertakings (continued)

The School became the sole member of Chinthurst on 24 February 2017. The net assets of Chinthurst at that date were represented as follows:

	£
Tangible assets	346,286
Investments	6,528
Current assets	216,172
Liabilities	(309,365)
Net assets	<u>259,621</u>

21. Related Parties

Two Governors currently have children who attend the School as students and pay full fees.

The School occupies and maintains the main school building and associated land on behalf of the Reigate Grammar School Trust, which own the freehold. The School is the corporate trustee of Reigate Grammar School Trust which prepares, and submits, separate accounts.

The School bears the cost of its own Bursary scheme other than as set out in Note 1 above. Assets raised for the purpose of funding the Bursary prior to 2000 are held by Reigate Grammar School Trust, and in the year ended 31 August 2017 an amount of £3,000 (2016: £10,826) was received by the School from the Trust by way of subsidy.

22. Analysis of Group Funds

	Restricted Funds	Unrestricted Funds	Total 2017
	£	£	£
Tangible fixed assets and investments	2,180,137	34,326,406	36,506,543
Net current assets/(liabilities)	4,635,951	(8,757,795)	(4,121,844)
Long term liabilities	-	(12,521,673)	(12,521,673)
Pension Scheme Liability	-	(1,323,000)	(1,323,000)
Net Funds	<u>£6,816,088</u>	<u>£11,723,938</u>	<u>£18,540,026</u>

Notes to the Financial Statements
Continued

23. Comparative statement of financial activities

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
Income from:			
Charitable activities:			
School fees receivable	16,847,380	-	16,847,380
Registration fees	43,854	-	43,854
Trip income	681,916	-	681,916
Other educational income	69,203	-	69,203
Donations and legacies	90	4,530,729	4,530,819
Lettings	134,571	-	134,571
Investments	433	36,349	36,782
Total Income	17,777,447	4,567,078	22,344,525
Expenditure on:			
Raising funds:			
Fundraising & Development	285,096	-	285,096
Charitable activities:			
Education	17,277,171	210,698	17,487,869
Total Expenditure	17,562,267	210,698	17,772,965
Net Income from operations before transfers and investment gains			
Unrealised investment gains/ (losses)	6,424	(66)	6,358
Transfers between funds	993,000	(993,000)	-
Net Income	1,214,604	3,363,314	4,577,918
Pension scheme actuarial (losses)	(841,000)	-	(841,000)
Net Movement in Funds for the year	373,604	3,363,314	3,736,918
Balance brought forward at 1 September 2015	8,882,895	3,043,509	11,926,404
Balance carried forward at 31 August 2016	£9,256,499	£6,406,823	£15,663,322