

Registered number: 05664801  
Charity number: 1114424

# **The Newcastle upon Tyne Royal Grammar School**

**(A company limited by guarantee)**

**Annual report**

**31 July 2022**

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# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

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# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Reference and administrative details**

**Year ended 31 July 2022**

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### **Governors**

J Drummond, Co-opted Governor (Chair from 2 December 2017, resigned as Chair on 3 August 2021) (resigned 31 December 2021)  
T E B Hartley, Co-opted Governor (Vice Chair from 9 March 2017) (resigned 8 April 2022)  
J S Berry, Co-opted Governor  
R H Fell, Co-opted Governor  
A C Fletcher, Co-opted Governor (Chair from 3 August 2021)  
S A Green, Co-opted Governor  
A Gupta, Co-opted Governor  
M Hannifa, Co-opted Governor  
A H Lamb, Co-opted Governor  
N J McMinn, Co-opted Governor  
S Milligan, Co-opted Governor  
A P Murphy, Co-opted Governor  
M D Robinson, Co-opted Governor  
C Stonehouse, Co-opted Governor  
T N Thorne, Nominated by Northumberland County Council  
S Woodroffe, Co-opted Governor

### **Company registered number**

05664801

### **Charity registered number**

1114424

### **Registered office**

Eskdale Terrace  
Newcastle upon Tyne  
NE2 4DX

### **Company secretary**

C F Black

### **Headmaster**

G Stanford

### **Independent auditor**

UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Reference and administrative details (continued)**

**Year ended 31 July 2022**

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### **Bankers**

Barclays Bank PLC  
PO Box 379  
71 Grey Street  
Newcastle upon Tyne  
NE99 1JA

National Westminster Bank plc  
2nd Floor  
1 Trinity Gardens  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

### **Investment advisors**

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### **Insurance broker**

Zurich Municipal  
Zurich House  
2 Gladiator Way  
Farnborough  
GU14 6GB

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# The Newcastle upon Tyne Royal Grammar School

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## Governors' report Year ended 31 July 2022

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The governors present their annual report together with the audited financial statements for the year 1 August 2021 to 31 July 2022. The annual report serves the purposes of both a governors' report and a directors' report under company law. The governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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### AIMS AND OBJECTIVES

#### Charitable Objectives

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

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

#### Our Purpose, Vision and Values

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

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

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

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

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Governors' report (continued)

Year ended 31 July 2022

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

### Our Public Benefit

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

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

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

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

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

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# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **STRATEGIC REPORT**

#### **REVIEW OF ACHIEVEMENTS AND ACTIVITIES**

1. **RGS School** delivers our core educational activities. Pupil numbers at our Senior school increased to 1,071 (2021: 1,052) and the number of pupils at our Junior school increased in the year to 275 (2021: 265). Our fees for the current year were:

Junior School - £12,213 per year

Senior School - £14,499 per year

#### **RGS SCHOOL ACHIEVEMENTS**

1,345 students attended RGS, which would have otherwise cost the taxpayer an annual c£8m if educated in the state system.

In GCSEs, **86.3%** of grades achieved were A\*-A (grades 9-7) and **51.9%** were grade 9.

In A Level, **90.2%** of grades achieved were A\*-B and **71.8%** were A\*-A.

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

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

**28** local community groups and organisations accessed RGS school buildings and facilities for their events and activities.

#### **RGS SCHOOL ACTIVITIES**

##### **Operations**

The academic year began with continued complications of the Covid-19 pandemic impacting the operational life of the school, but the relaxation of social distancing guidance enabled the return of more meaningful interactions between year groups including the re-establishment of Tutor Sets. Teaching staff were challenged by the requirement to deliver live lessons in school, and simultaneously stream online to students self-isolating. Meanwhile support staff were confronted with the need to deliver contact tracing and organise mass lateral flow testing. Events were organised, postponed, and re-organised online; both the Autumn 2021 and Spring 2022 Terms were disrupted, yet the entire community continued to rise to the challenges, and were relieved to see a sense of 'normality' return in the Summer Term.

##### **Inspection**

In September 2021 the school was subject to full Compliance and Educational Quality Inspections led by ISI, the outcome of which was to find us fully compliant and rated 'excellent', the highest possible ranking. The inspection report was a tribute to the whole RGS community, the hard work of teaching and support staff, continuing support of parents and the energy and enthusiasm of pupils.

# **The Newcastle upon Tyne Royal Grammar School**

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## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **Academic**

In October 2021, RGS was recognised as The Sunday Times' North East Independent School of the Year, reflecting our outstanding 2020-21 public exam results. While various contingency arrangements were put in place should Summer 2022 public exams not proceed, in the end students sat formal GCSE and A Level examinations for the first time in two years. RGS students continued to achieve outstanding grades, outperforming others regionally as well as national averages. At GCSE, students performed well at all levels with 19 individuals being awarded Grade 9s across the board. At A Level, our students also produced a superb set of results with 163 students achieving 518 A Levels across 24 different subjects. 31 students achieved three or more A\*s and 85 students achieved all A\*-As. However, it is also worth celebrating that students have achieved at all levels of ability.

Outside of the core curriculum, RGS continued to prioritise enquiry-based learning with Y7 students making rocket cars and Y8 students engaging with their sustainable goals project, in both cases producing some creative and imaginative outcomes. Y9 participated in an essay writing competition, securing a number of national winning entries and Y12 students completed a broad range of Extended Project Qualifications (EPQs) demonstrating an extraordinary level of intellectual curiosity and academic achievement.

Through the year the school's Digital Strategy was developed, which included the increasing use of technology to deliver and reinforce teaching and learning, and comprehensive plans were developed to roll out standardised digital device from early 2022-23.

During the year, our Deputy Head (Academic) of 17 years, Roger Loxley, planned his semi-retirement, and Chris Quayle was appointed as his replacement to commence in September 2022.

### **Co-curricular**

The new role of Deputy Head (Co-Curricular) was created and Andrew McBride commenced in this role in April 2022.

The year was packed with co-curricular activities, performing arts events included a script in hand production of the play 'Maryland', a dramatic performance of 'Skylight'; musical productions included 'Shrek', 'Sister Act' and 'Matilda'; members from across our community performed in our Junior and Senior school Carol Services, Remembrance Service and Founder's Service; major Orchestral and Choir Concerts took place, as well as less formal Gigs and Lunchtime Recitals; House Music, House Dance and Battle of the Bands took place, encouraging anyone and everyone to participate. Our second 'singing Christmas Card' again brought joy to the whole community as well as being a social media hit.

The whole RGS community united to celebrate Queen Elizabeth II's Platinum Jubilee, which included a major Concert opened by the Lord-Lieutenant of Tyne and Wear, Mrs Susan Winfield CVO OBE CStJ. Following this Y12 students participated in a Day of Service, volunteering for good causes across the City, and a school assembly broadcast to parents and Old Novos across the globe, showcasing the developments at the RGS and in the wider world over the course of each of the seven decades of the Queen's reign, using extensive material from the school's Archive. The Assembly was opened by the new Lord Mayor of Newcastle, Councillor Karen Robinson, in her first public duty who, following longstanding tradition, asked for the Lord Mayor's holiday to be granted that we will take in December.



# **The Newcastle upon Tyne Royal Grammar School**

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## **Governors' report (continued)**

**Year ended 31 July 2022**

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Other major school activities which brought the community together were our RGS Art of Hope exhibition and auction, where over 300 students produced artwork on the theme of 'Hope', which were auctioned, raising over £12k for student selected charities. There were major collections of aid, with three lorries of items donated to support the humanitarian crisis in Ukraine, an Advent Calendar Appeal, Preloved Clothing Sale and Foodbank appeals were all met with enthusiastic response from students and parents. Voluntary Service remained high profile in the school, with RGS school students giving an estimated 4,000 hours of time to local causes.

Co-curricular sport continued to be strong at RGS, with broad participation and the highest level of performance across all sports. RGS teams reached national finals in eight different sports, in some cases with several teams at different age groups. There was a national win for the Senior Girls' hockey team as well as a broad range of both collective and individual success in a wide range of sports.

Outside of sport, other co-curricular achievements included success for the Young Enterprise Team 'Project Parrot' who made it to the National Finals with their illustrated book aimed at making learning language fun. Computer Science had a successful year and represented the school in 17 different competitions with notable success in Bebras, the Oxford University Computing Challenge, CyberCenturions, First Lego League and Vex IQ as well as one of our students being awarded the Young Game Designed of the Year by BAFTA. Various residential trips took place, to Robinwood, Kirknewton and Patterdale; Duke of Edinburgh (DofE) expeditions took place and the Combined Cadet Force (CCF) celebrated 111 years since it was established at RGS, with the biggest ever cohort of students participating.

### **Pastoral**

In such an ambitious and high performing school, supporting the wellbeing of our staff and students is always a priority and the Covid-19 related challenges of the year brought our commitment into even sharper relief. We continued towards achieving the Optimus Education 'Wellbeing Award' a school's highest achievement for commitment to all aspects of wellbeing, we expanded our team of Counsellors and also introduced 'TES Staff Pulse', a nationally recognised process to measure various aspects of staff wellbeing.

We planned to expand our PSHE resource by appointing a full time postholder to 'Head of PSHE' from September 2022. The school continued its commitment to Equality, Diversity and Inclusion (EDI) with the introduction of a new Action Plan, supported by an Advisory Group. A highlight of the year was a talk delivered to RGS students and broadcast to school across the Region, by Hashi Mohammed, barrister and social mobility campaigner. Our 'RGS Talks' series continues with multiple high profile speakers delivering lectures to our students, with invitations made to all Partner schools. We introduced a new staff intranet, the 'Digital Common Room' to streamline internal communications.

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

### **RGS BURSARIES ACHIEVEMENTS**

**82 (1 in 16)** students at RGS attended on transformational means-tested RGS Bursaries.

**92.85%** is the average bursary awarded.

**16** new bursary students joined in September 2021

**22** new bursary students will join in September 2022 (taking total bursary students to 86).

**426** bursary students have been supported since RGS Bursaries were established in 2002, collectively attending for the equivalent of **1,841** teaching years.

**222** donors donated to the Bursary Campaign to fund this work.

# **The Newcastle upon Tyne Royal Grammar School**

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## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **RGS BURSARIES ACTIVITIES**

The RGS is fully committed to welcoming students from a wide range of backgrounds, increasing access to the opportunities it provides for boys and girls from those families whose means would not allow them to afford school fees. We are indebted to a broad range of donors for their support and are especially grateful to the parents of existing and former RGS students, and Old Novocastrians, who have seen first-hand how the bursary programme changes lives, who have personally supported this important element of RGS's work.

RGS Bursaries are strictly means tested and the average award is **92.85%** of fees, in line with our commitment to target our finite funds at students with proven academic ability from families in the most financial need.

RGS Bursaries are highly coveted and the competition for the limited places is fierce. Along with the academic assessments and the full financial review, the school's Bursary Outreach Officer makes home visits before the bursary assessment team meet to make recommendations on the award of bursaries. The school continues to see a significant increase in bursary applications as more and more people become aware of the opportunity. The role of the Bursary Outreach Officer has been extended and provides a link with bursary applicants and also supports them throughout their time in the school, this is in addition to the normal pastoral support provided to all students.

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

We are particularly proud of the 15 Y13 means-tested bursary holders, who this year collectively secured 49 A Levels across 21 different subjects. Ten of these students secured all A\*-As, with four securing three A\*s and two securing four A\*s.

Our long-term vision is for the RGS student population is to reflect the social diversity of the City of Newcastle, and for us to return to offering in the Region the option of a highly academic education, *irrespective of applicants' backgrounds*. We believe that if we were a needs blind school, selecting students **only** on their academic merit, up to 25% of our school population could be eligible for a mean-tested bursary, based on the proportion of people experiencing poverty in the North East. Our interim target is to reach 1 in 10 students by our Quincentenary year in 25-26 and grow an enduring endowment to help sustain this, which we aim to reach through our RGS Gives fundraising campaign.

Achieving this long-term vision for RGS Bursaries is a hugely ambitious goal, but 2021-22 saw us make even further progress towards this, with thanks to our incredible supporters. The School benefits from its close involvement with its alumni, who provide a significant contribution to bursaries, through the Old Novocastrians Association (ONA). The normal range of in person alumni engagement events during the year was curtailed but a significant number of alumni engaged with the school's programme of virtual events. The ONA magazine reaches a large number of former students and this year the two editions focused on how the Junior School has contributed to the RGS and helped shape the future careers of individual alumni, as well as the 20<sup>th</sup> Anniversary of the first Girls to join RGS in 2002. The school held a stunning Philanthropy Dinner for donors, in the main hall, supported by students including many bursary holders. The RGS Garden Party also proved a colourful evening full of joy and dancing, with funds raised to support our Bursary Campaign.

# The Newcastle upon Tyne Royal Grammar School

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## Governors' report (continued)

Year ended 31 July 2022

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

### RGS PARTNERSHIPS ACHIEVEMENTS

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

Over 7,300 individual students in local state schools benefitted from RGS Partnerships activities, for a total 23,000 hours.

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

More than 300 teachers received 1,500 hours of CPD or collaborated on curriculum development.

Over 40 RGS Partnerships projects have taken place, including STEAM, Sport, Languages, Classics, Debating, UCAS Mentoring and much more.

### RGS PARTNERSHIPS ACTIVITIES

Despite the continued operational challenges relating to Covid-19 in the earlier part of the academic year, RGS Partnerships continued to be delivered, albeit more creatively, in the wider community. The number of teachers and students that RGS Partnerships impacted beyond the RGS school gates grew significantly and behind these numbers there are so many inspiring stories, innovative and collaborative initiatives, as well as relationships that have developed.

### Resourcing

Fundamental to the delivery of our RGS Partnerships projects are our dedicated staff in the form of a Director of Partnerships and two dedicated Partnerships Teachers, one specialist in Maths and the other in Physics, both funded by the Reece Foundation. During the year, funding for a further dedicated partnerships teacher (a specialist in Robotics) was agreed with British Engines, and a postholder appointed to start in September 2022. In addition to this dedicated RGS Partnerships resource, RGS teachers from across the school gave time to support our diverse and innovative range of projects.

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

### Projects

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

# **The Newcastle upon Tyne Royal Grammar School**

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## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **Maths specific projects have included:**

**Higher Tier Maths GCSE** - At an 11-16 school in West Newcastle, we have worked weekly with students in Year 10 and Year 11 to improve attainment through a variety of taught lessons and intervention groups. A number of Year 11 students have had the opportunity to be entered for Higher Tier Maths GCSE which they would have otherwise been unable to access.

**AQA Level 2 Certificate in Further Mathematics** - In partnership with Westfield School and the Reece Foundation, we run a weekly virtual course to teach the AQA Level 2 Certificate in Further Mathematics to Year 10 students from seven schools in the North-East. We teach the same course in person at a secondary academy in Sunderland. ?

**Maths enrichment clubs** - Twice a week we run enrichment clubs at a local Technical College for students in Years 9 to 11. Some sessions have focused on consolidation and problem-solving, while in others we have explored a wide variety of interesting and unusual topics.

**Maths University Admission Test Preparation** - we have worked with the government-funded Advanced Mathematics Support Programme (AMSP) to provide weekly problem-solving sessions for Sixth Form students preparing to take university admission tests in mathematics. Students travelled from as far as Morpeth, Hexham, and even Carlisle to attend sessions held at RGS.

**Bright Sparks** - we have run half-termly Bright Sparks events for more able Year 9 mathematicians to explore fun Maths topics beyond the syllabus. 12 schools have taken part in the programme this year, with an average of 60 students from 7 schools at each event.

### **Physics specific projects have included:**

**Intervention groups** - in partnership with the Newcastle UTC we have been delivering challenging, thought provoking real-world STEM projects.

**Real life physics** - at Benfield School and at Studio West Academy in Denton, we have delivered practical projects to enable students to learn through research, design, build and evaluation cycles.

**Science Week Takeover** - in Rainbird Excelsior Primary School we supported a Science Week Takeover.

**Upskilling teachers** - in Berwick Academy we have been directly supporting a non-physics specialist through remote and in-person support.

**Curriculum Development** - We have worked with a local Primary school in reviewing and re-launching their Science Curriculum and Tom Williams has worked with a secondary Academy on their A Level Physics offer.

### **Computer Science Partnership Projects have included:**

**Digital Schoolhouse** - our Digital Schoolhouse sessions have been running weekly - beamed into Primary classrooms around the region in Autumn and Spring Terms, it was great to welcome students back into school for 'in-person' workshops as lockdown rules allowed. 10 schools have taken part in these termly mornings off timetable to develop coding skills. In one session of Pac-Man game design, our Head of Computing taught four separate remote classrooms, reaching over 100 students!

**E-sports** - We have launched an e-sports pilot with four local schools, impacting all of their Year 5 and 6 students, using funds from our Digital SchoolHouse work to buy devices, we also provided training for the teachers involved to implement the programme. We will offer this scheme to more schools next year following this successful pilot.

# The Newcastle upon Tyne Royal Grammar School

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## Governors' report (continued)

Year ended 31 July 2022

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**First Lego Leagues (FLL)** - Our Reece Foundation- funded boxes of Lego have facilitated innovation and creativity in Primary Schools setting up FLL co-curricular clubs in 10 schools. We aim to host an expo for FLL junior in school next year, coordinated by our new Robotics Partnerships teacher.

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

**Engineering, Design and Technology (EDT) equipment** - We have loaned equipment to a local school to facilitate the development of their curriculum. With a new Robotics Partnerships Teacher joining us in September 2022, this will be a growing strand of our work.

**Computing** - partner Primary schools have benefitted from the loan of equipment to facilitate First Lego League sessions, MicroBits have been distributed in a similar way, and perhaps most excitingly, we have been able to fund the purchase of Nintendo Switches for our e-sports pilot via Digital Schoolhouse.

Cultural Capital Projects included:

In **Classics**, we introduced students from a local Primary to the 'Groovy Greeks'. In addition, we have worked with two local secondary schools to upskill non-specialists to deliver Latin GCSE by joint-planning and observing lessons delivered both remotely and in person.

**Art Week** at an Outer West Primary School saw four RGS Sixth Form Artists working with students from four classes – sharing their projects while also supporting the Key Stage 2 students in their work.

**This is Creative Enterprise (TICE)** is an innovative programme in partnership with Northumbria University. 20 students from a partner secondary joined RGS students for workshops and masterclasses.

**Battle of the Bands** was back with a bang: local schools including five partner State schools took part in this brilliant event.

Our **Storytelling** project was up and running again, with students from Year 9 Drama sharing their stories in a workshop at a local 1st School. We also supported this school with their summer show, through tech and teacher support.

In **Modern Languages**, our wonderful Spanish Assistant volunteered at a local school, speaking with students to hone their skills one day per week: in the course of this work, she saw around 270 young linguists.?

**Through Borrow Box**, we have worked closely with local partner Primary Schools where a box of Class Readers is loaned, resources added by the partner teacher, before being returned to pass on to the next school. The scheme reached 240 students across 8 classes this year, with students from Key Stages 1 and 2 benefitting from shared teacher resources and recently published books from exciting, diverse authors. We hope to grow this scheme by doubling the boxes in 2022-23. 100% of participants in this scheme said they would use it again.

With our **Library Link** project we were delighted to donate 300 books to a partner secondary library in the summer of 2022. This link will be ongoing and we look forward to working collaboratively in the future.

As well as more traditional CPD, including **workshops, teachmeets** and **PGCE placements**, we have worked with partner schools on curriculum development, with the long-term aim of embedding a new subject or club in a school:

**EPQ** - Our Head of Projects has worked closely with a local High School to develop their EPQ course, which launched this year, with eight students.

# **The Newcastle upon Tyne Royal Grammar School**

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## **Governors' report (continued)**

**Year ended 31 July 2022**

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

**Debating** – We are working with 2 partner schools to upskill teachers to offer Debating Clubs. Teachers and students have joined our clubs to gain confidence in starting a club. We hope to build a network of schools to offer competitions in time. An exciting project for all involved!

### **Securing the future**

In addition to the above component RGS Partnerships projects, we progressed plans to address a systemic challenge for the region, the alarming local shortage of maths and physics teachers. During the year we confirmed plans to open a North East branch in RGS, of the National Maths and Physics School-Centred Initial Teacher Training (SCITT) scheme, with recruitment of new teachers to be trained and hosted at RGS, due to commence in September 2022.

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

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

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

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **FINANCIAL REVIEW**

Student numbers were above budget for the year and are anticipated to maintain a high level in 2022-23. Careful management of expenditure and cashflow led to an operating surplus of £637k. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before gains on investment assets of £631,867 (2021: £530,624). Investment gains amounted to £4,862 (2021: £109,598) resulting in a net surplus of £636,729 (2021: £640,222).

The school's subsidiary trading company, RGS Trading Limited, generated a surplus of £532 (2021: deficit of £6,438) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £3.1 million (2021: £2.7 million).

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

### **Going concern**

The Covid-19 pandemic continued to impact operations in 2021-22 as although school remained open throughout there were additional staff costs to combat the high levels of staff absences. Pupil numbers at the start of the 2022/23 academic year remain extremely robust and slightly ahead of forecast. Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

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

### **Investment policy and performance**

The Governors' investment powers are governed by the Articles of Association. The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments. The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2022 were 1.69% (2021: 19.75%) on the Peter Taylor Fund, 1.69% (2021: 19.75%) on the J R Howarth Bequest Fund and 1.69% (2021: 19.75%) on the Storrow Scott Trust. All three portfolios are invested in the COIF Charities Investment Fund (Income Units).

These returns compare with a total return for the comparator benchmark of 1.64% (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 14.06% (the fund objective being CPI +4% after fees). It should be noted that the recent spike in UK inflation has made the Fund objective very challenging. The COIF Charities Investment Fund is a Risk Category 3 under PRIIPS.

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **Reserves policy and performance**

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

Unrestricted funds in total amounted to £36.2 million. Of this, designated bursary funds totalling £2.9 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows. This year £450,000 of this fund has been used to support bursary students and was transferred to the Educational Trust.

Also within unrestricted funds are fixed assets totalling £45.3 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £12.0 million (2021: deficit of £13.7 million) due to loans of £12.6 million (2021: £13.5 million) which were taken out to fund building projects.

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

### **Principal funding**

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

### **Principal risks and uncertainties**

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

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

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

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

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

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



# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

- **Constitution**

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

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

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

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

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

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

- **Pay policy for senior staff**

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)** **Year ended 31 July 2022**

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- **Organisational structure and decision making**

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

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

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

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

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

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

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

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

Mr Alex Lamb (Chair)  
Mr Alan Fletcher  
Mrs Julie Drummond (resigned 3 August 2021)  
Mr Hugh Fell  
Mr Nigel McMin

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

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

Mr Hugh Fell (Chair)  
Mr Alan Fletcher  
Miss Scarlett Milligan  
Mrs Julie Drummond (resigned 3 August 2021)  
Mrs Sally Green (appointed 26 September 2021)

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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

Mrs Sally Green (Chair, appointed 26 September 2021)  
Mr Alan FletcherMrs Joanna Berry  
Mrs Aarti Gupta  
Mrs Muzlifah Haniffa  
Mrs Sue Woodroffe

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

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

### **• Engagement with staff and equal opportunities**

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

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

### **• Related party relationships**

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued) Year ended 31 July 2022**

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### **• Risk management**

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

### **Greenhouse gas emissions, energy consumption and energy efficiency action**

UK Greenhouse gas emissions and energy use data for the period 1 August 2021 to 31 July 2022

Energy Consumption used to calculate emissions (kWh)	5,836,342
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Scope 1 emissions in metric tonnes CO<sub>2</sub>e

Gas consumption	756.3
Transport fuel	17.4
Total Scope 1	773.7

Scope 2 emissions in metric tonnes CO<sub>2</sub>e

Purchased electricity	327.4
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Scope 3 emissions in metric tonnes CO<sub>2</sub>e

Business travel in employee owned vehicles	2.1
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<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>1,103.3</b>
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<b>Intensity ratio tonnes CO<sub>2</sub>e per pupil</b>	<b>0.82</b>
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### **Quantification and reporting methodology**

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

### **Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for this sector.

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **Measures taken to improve energy efficiency and sustainability**

In addition to smart meters already installed across the site to monitor electricity consumption and the installation of LED in Junior School in July 2021 we have continued the roll out of the LED lights and over summer 2022 a significant investment was made in installing LED lighting in much of the Main School. The installation included the use of PIR sensors and daylight dimming in appropriate spaces to further reduce the School's energy consumption. We are actively looking at sustainability as part of our Development plan and exploring means to decrease our energy intensity ratio. A Procurement Manager was recruited in the year to ensure we are purchasing in a sustainable and cost effective way to reduce spend and wastage.

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

### **Sustainability at RGS**

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

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

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

RGS has identified the following areas of focus:

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **PLANS FOR FUTURE PERIODS**

- **Future developments**

At the end of each academic year the school reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders and in recognition of our charitable objectives. For the next period (2022-2027), the following key areas for regular review are as follows:

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

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

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

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Governors' report (continued)**

**Year ended 31 July 2022**

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### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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

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

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

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

### **Disclosure of information to auditor**

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

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

This report, which includes the strategic report, was approved by the Governors on 25 November 2022 and signed on their behalf by:



**A C Fletcher**  
(Chair of Governors)



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

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### **Opinion**

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2022 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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





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

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### **Other information**

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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



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

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### **Responsibilities of governors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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



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

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

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

*Anne Hallowell*

**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)**  
for and on behalf of UNW LLP, Statutory Auditor  
Chartered Accountants  
Newcastle upon Tyne

25 November 2022

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Consolidated statement of financial activities Year ended 31 July 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and legacies	3	170,448	914,909	-	1,085,357	1,362,666
Charitable activities	4	19,213,643	-	-	19,213,643	17,903,997
Other trading activities	5	113,621	-	-	113,621	14,463
Investments	6	34,325	66,622	-	100,947	52,683
Other income		42,253	-	-	42,253	17,493
<b>Total income</b>		<b>19,574,290</b>	<b>981,531</b>	<b>-</b>	<b>20,555,821</b>	<b>19,351,302</b>
<b>Expenditure on:</b>						
Raising funds		166,142	-	-	166,142	82,990
Charitable activities	8	18,799,406	958,406	-	19,757,812	18,737,688
<b>Total expenditure</b>		<b>18,965,548</b>	<b>958,406</b>	<b>-</b>	<b>19,923,954</b>	<b>18,820,678</b>
Net gains on investments		-	-	4,862	4,862	109,598
<b>Net income / (expenditure)</b>		<b>608,742</b>	<b>23,125</b>	<b>4,862</b>	<b>636,729</b>	<b>640,222</b>
<b>Net movement in funds</b>		<b>608,742</b>	<b>23,125</b>	<b>4,862</b>	<b>636,729</b>	<b>640,222</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		35,545,681	163,218	1,324,113	37,033,012	36,392,790
Net movement in funds		608,742	23,125	4,862	636,729	640,222
<b>Total funds carried forward</b>		<b>36,154,423</b>	<b>186,343</b>	<b>1,328,975</b>	<b>37,669,741</b>	<b>37,033,012</b>

The notes on pages 33 to 63 form part of these financial statements.

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Consolidated income and expenditure account**

**Year ended 31 July 2022**

	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Gross income in the reporting period</b>	<b>20,555,821</b>	<b>19,351,302</b>
<b>Less: Total expenditure</b>	<b>(19,923,954)</b>	<b>(18,820,678)</b>
<b>Net income for the reporting period</b>	<b>631,867</b>	<b>530,624</b>

The notes on pages 33 to 63 form part of these financial statements.

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Consolidated balance sheet At 31 July 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	45,266,729	45,965,595
Investments	13	963,975	959,113
Investment property	14	365,000	365,000
		<u>46,595,704</u>	<u>47,289,708</u>
<b>Current assets</b>			
Stocks	15	16,298	12,379
Debtors	16	338,557	322,407
Cash at bank and in hand		6,678,030	5,015,035
		<u>7,032,885</u>	<u>5,349,821</u>
Creditors: amounts falling due within one year	17	(3,928,258)	(2,669,727)
<b>Net current assets</b>		<u>3,104,627</u>	<u>2,680,094</u>
<b>Total assets less current liabilities</b>		<u>49,700,331</u>	<u>49,969,802</u>
Creditors: amounts falling due after more than one year	18	(12,030,590)	(12,936,790)
<b>Total net assets</b>		<u><u>37,669,741</u></u>	<u><u>37,033,012</u></u>
<b>Charity funds</b>			
Endowment funds	19	1,328,975	1,324,113
Restricted funds	19	186,343	163,218
Unrestricted funds:			
- Designated funds	19	2,878,404	3,328,404
- Revaluation reserve	19	12,941,804	12,941,804
- General funds	19	20,334,215	19,275,473
<b>Total unrestricted funds</b>	19	<u>36,154,423</u>	<u>35,545,681</u>
<b>Total funds</b>		<u><u>37,669,741</u></u>	<u><u>37,033,012</u></u>

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Consolidated balance sheet (continued)**

**At 31 July 2022**

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

The financial statements were approved and authorised for issue by the governors on 25 November 2022 and signed on their behalf by:



**A C Fletcher**  
(Chair of governors)

The notes on pages 33 to 63 form part of these financial statements.

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Company balance sheet At 31 July 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	45,264,574	45,961,285
Investments	13	963,976	959,114
Investment property	14	365,000	365,000
		<u>46,593,550</u>	<u>47,285,399</u>
<b>Current assets</b>			
Stocks	15	11,093	11,657
Debtors	16	347,231	322,407
Cash at bank and in hand		6,670,138	5,014,475
		<u>7,028,462</u>	<u>5,348,539</u>
Creditors: amounts falling due within one year	17	(3,925,834)	(2,667,757)
<b>Net current assets</b>		<u>3,102,628</u>	<u>2,680,782</u>
<b>Total assets less current liabilities</b>		<u>49,696,178</u>	<u>49,966,181</u>
Creditors: amounts falling due after more than one year	18	(12,030,590)	(12,936,790)
<b>Total net assets</b>		<u><u>37,665,588</u></u>	<u><u>37,029,391</u></u>
<b>Charity funds</b>			
Endowment funds	19	1,328,975	1,324,113
Restricted funds	19	186,343	163,218
Unrestricted funds:			
- Designated funds	19	2,878,404	3,328,404
- Revaluation reserve	19	12,941,804	12,941,804
- General funds	19	20,330,062	19,271,852
<b>Total unrestricted funds</b>	19	<u>36,150,270</u>	<u>35,542,060</u>
<b>Total funds</b>		<u><u>37,665,588</u></u>	<u><u>37,029,391</u></u>



# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Company balance sheet (continued)**

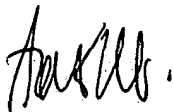
**At 31 July 2022**

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The company's net movement in funds for the year was £636,197 (2021: £646,666).

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

The financial statements were approved and authorised for issue by the governors on 25 November 2022 and signed on their behalf by:



**A C Fletcher**  
(Chair of governors)

Company registered number: 05664801

The notes on pages 33 to 63 form part of these financial statements.

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Consolidated statement of cash flows Year ended 31 July 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash generated from operating activities	21	3,423,756	2,180,472
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		100,947	52,683
Purchase of tangible fixed assets		(558,163)	(261,672)
Proceeds from sale of investments		-	270,991
Purchase of investments		-	(270,991)
<b>Net cash used in investing activities</b>		<b>(457,216)</b>	<b>(208,989)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(840,000)	(5,420,000)
Interest paid		(463,545)	(560,872)
<b>Net cash used in financing activities</b>		<b>(1,303,545)</b>	<b>(5,980,872)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,662,995</b>	<b>(4,009,389)</b>
Cash and cash equivalents at the beginning of the year		5,015,035	9,024,424
<b>Cash and cash equivalents at the end of the year</b>	22	<b>6,678,030</b>	<b>5,015,035</b>

The notes on pages 33 to 63 form part of these financial statements

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements**

**Year ended 31 July 2022**

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### **1. General information**

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

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

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

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

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

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

#### **2.2 Company status**

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

#### **2.3 Basis of consolidation**

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

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

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 July 2022**

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### **2. Accounting policies (continued)**

#### **2.4 Going concern**

The COVID 2019 pandemic continued to impact operations in 2021/22 as although school remained open throughout there were additional staff costs to combat the high levels of staff absences. Pupil numbers at the start of the 2022/23 academic year remain extremely robust and slightly ahead of forecast.

The school recorded a net surplus of income over expenditure in the year ended 31 July 2022 and has net assets at the year end of £37.7 million (2021: £37.0 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings; the school is not reliant on short term loans or overdraft facilities.

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

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

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# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements**

**Year ended 31 July 2022**

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### **2. Accounting policies (continued)**

#### **2.5 Income**

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

##### ***Fees and similar income***

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the group from its unrestricted funds, but before deducting grants of bursaries.

##### ***Voluntary income and fund accounting***

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

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

Grants and donations received for the general purposes of the group are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction. Government grants awarded under the Coronavirus Job Retention Scheme (CJRS) are recognised when receivable.

##### ***Investment income***

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

##### ***Interest receivable***

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 July 2022**

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### **2. Accounting policies (continued)**

#### **2.6 Expenditure**

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

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

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

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

#### **2.7 Interest receivable**

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

#### **2.8 Investment properties**

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

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets and depreciation

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

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

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

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

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

Depreciation is provided on the following bases:

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

#### **Revaluation of fixed assets**

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

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

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

#### 2.10 Investments

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

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

#### 2.11 Stocks and work in progress

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 July 2022**

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### **2. Accounting policies (continued)**

#### **2.12 Debtors**

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

#### **2.13 Cash at bank and in hand**

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

#### **2.14 Liabilities and provisions**

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

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

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

#### **2.15 Financial instruments**

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

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

#### **2.16 Operating leases**

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



# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 July 2022**

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### **2. Accounting policies (continued)**

#### **2.17 Pension costs**

The group operates two main schemes:

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

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

#### **2.18 Fund accounting**

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

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

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

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

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 2. Accounting policies (continued)

#### 2.19 Critical accounting estimates and areas of judgment

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

#### *Significant judgments in applying the group's accounting policies*

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

#### *Key sources of estimation and uncertainty*

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

### 3. Income from donations and legacies

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

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Hospital of St Mary the Virgin	137,270	-	137,270
The Royal Grammar School Educational Trust	-	828,468	828,468
Government grants	396,928	-	396,928
	<u>534,198</u>	<u>828,468</u>	<u>1,362,666</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of school services	19,213,643	19,213,643	17,903,997

### School fees

	2022 £	2021 £
Gross fees	18,910,076	17,804,175
Less: Grants and allowance	(451,124)	(447,695)
Catering income	754,691	547,517
	<u>19,213,643</u>	<u>17,903,997</u>

### 5. Income from other trading activities

#### Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Facilities lettings income	70,915	70,915	14,463

#### Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Subsidiary trading	42,706	42,706	-

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 6. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Property rental income	-	33,891	33,891
Dividend income	-	29,317	29,317
Prize fund dividend income	-	3,414	3,414
Bank interest	34,325	-	34,325
	<u>34,325</u>	<u>66,622</u>	<u>100,947</u>

	Restricted funds 2021 £	Total funds 2021 £
Property rental income	30,157	30,157
Dividend income	20,038	20,038
Prize fund dividend income	2,488	2,488
	<u>52,683</u>	<u>52,683</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 7. Cost of raising funds

	Unrestricted funds 2022 £	Total funds 2022 £
Fundraising costs	21,552	21,552
Marketing costs	89,789	89,789
Costs of letting facilities	1,658	1,658
Professional fees	6,402	6,402
Subsidiary trading costs	46,741	46,741
	<u>166,142</u>	<u>166,142</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising costs	9,430	9,430
Marketing costs	58,907	58,907
Costs of letting facilities	652	652
Professional fees	5,700	5,700
Subsidiary trading costs	8,305	8,305
	<u>82,994</u>	<u>82,994</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 8. Analysis of expenditure on charitable activities

#### Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Provision of school services	18,034,700	-	18,034,700
Bursaries provided	764,706	958,406	1,723,112
	<u>18,799,406</u>	<u>958,406</u>	<u>19,757,812</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Provision of school services	17,111,641	-	17,111,641
Bursaries provided	769,829	856,218	1,626,047
	<u>17,881,470</u>	<u>856,218</u>	<u>18,737,688</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 9. Analysis of expenditure by activities

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

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Provision of school services	15,301,549	-	1,810,092	17,111,641
Bursaries provided	1,049,312	396,928	179,807	1,626,047
	<u>16,350,861</u>	<u>396,928</u>	<u>1,989,899</u>	<u>18,737,688</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 9. Analysis of expenditure by activities (continued)

#### Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Depreciation	1,257,029	1,439,983
Teachers' salaries	9,440,181	9,028,213
Teaching resources	878,497	930,671
Other educational costs	215,473	228,404
Other teaching staff costs	170,404	170,859
Premises costs - salary	687,949	693,493
Premises costs - maintenance	877,407	560,256
Premises costs - occupancy	594,001	514,502
Premises costs - insurance	166,642	161,784
Catering costs - staff salaries	290,397	278,975
Catering costs - food	445,226	425,219
Catering costs - kitchen overheads	66,289	64,331
Academic support expenditure - educational support salaries	733,483	695,237
Academic support expenditure - PE and sport	256,481	72,949
Academic support expenditure - clubs, school magazines and miscellaneous costs	21,565	29,607
Bursaries provided	1,084,547	1,049,312
Prizes and awards	9,038	7,066
	<u>17,194,609</u>	<u>16,350,861</u>

#### Analysis of support costs

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



# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 9. Analysis of expenditure by activities (continued)

#### Analysis of support costs (continued)

	Provision of school services 2021 £	Bursaries provided 2021 £	Total funds 2021 £
Administration costs	1,105,602	179,807	1,285,409
Financial costs	533,190	-	533,190
Other central costs	156,076	-	156,076
Governance	15,224	-	15,224
	<u>1,810,092</u>	<u>179,807</u>	<u>1,989,899</u>

### 10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the group's auditor for the audit of the charitable company's annual accounts	8,600	7,960
Fees payable to the group's auditor in respect of:		
- The auditing of accounts of associates of the group	5,190	4,800
- All assurance services not included above	840	2,360
- All non-audit services not included above	-	2,000
	<u>5,190</u>	<u>4,800</u>

### 11. Pupils and employees details

	2022 £	2021 £
<b>Staff costs</b>		
Wages and salaries	9,408,516	8,940,580
Social security costs	1,000,253	910,703
Pension contributions	1,798,830	1,710,875
	<u>12,207,599</u>	<u>11,562,158</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

	2022 No.	2021 No.
The number of employees receiving remuneration of more than £60,000 per annum is as follows:		
£60,001 - £70,000	18	9
£70,001 - £80,000	4	4
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£140,001 to £150,000	1	-
	<u>26</u>	<u>16</u>

Key management personnel has been determined to be the governors and the 10 (2021: 9) members of the senior management team. The total remuneration of the senior management team, excluding employer's national insurance costs, was £1,000,307 (2021: £938,843).

During the year, no governors received any remuneration (2021: £nil). Expenses of £576 were reimbursed to 2 governors (2021: £187 reimbursed to 1 governor).

	Headcount 2022 No.	Headcount 2021 No.	FTE 2022 No.	FTE 2021 No.
<b>Staff numbers</b>				
Senior school teachers	120	116	111	109
Junior school teachers	20	21	19	19
Academic support	42	43	29	32
Property management	32	34	25	25
Clerical and administrative	29	26	24	23
Catering	21	20	16	14
	<u>264</u>	<u>260</u>	<u>224</u>	<u>222</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### Pupil numbers at 31 July

	2022 No.	2021 No.
<b>Senior school</b>		
Full fees	997	976
Receiving bursaries	75	76
	<u>1,072</u>	<u>1,052</u>
	2022 No.	2021 No.
<b>Junior school</b>		
Full fees	270	259
Receiving bursaries	7	6
	<u>277</u>	<u>265</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 12. Tangible fixed assets

#### Group

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Trading subsidiary equipment £	Total £
<b>Cost or valuation</b>					
At 1 August 2021	51,840,394	121,290	3,660,946	12,067	55,634,697
Additions	-	74,336	483,827	-	558,163
Disposals	-	-	(258,752)	-	(258,752)
At 31 July 2022	51,840,394	195,626	3,886,021	12,067	55,934,108
<b>Depreciation</b>					
At 1 August 2021	6,334,060	111,803	3,215,482	7,757	9,669,102
Charge for the year	955,219	7,212	292,443	2,155	1,257,029
On disposals	-	-	(258,752)	-	(258,752)
At 31 July 2022	7,289,279	119,015	3,249,173	9,912	10,667,379
<b>Net book value</b>					
At 31 July 2022	44,551,115	76,611	636,848	2,155	45,266,729
At 31 July 2021	45,506,334	9,487	445,464	4,310	45,965,595

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 12. Tangible fixed assets (continued)

#### Company

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 August 2021	51,840,394	121,290	3,660,946	55,622,630
Additions	-	74,336	483,827	558,163
Disposals	-	-	(258,752)	(258,752)
At 31 July 2022	51,840,394	195,626	3,886,021	55,922,041
<b>Depreciation</b>				
At 1 August 2021	6,334,060	111,803	3,215,482	9,661,345
Charge for the year	955,219	7,212	292,443	1,254,874
On disposals	-	-	(258,752)	(258,752)
At 31 July 2022	7,289,279	119,015	3,249,173	10,657,467
<b>Net book value</b>				
At 31 July 2022	44,551,115	76,611	636,848	45,264,574
At 31 July 2021	45,506,334	9,487	445,464	45,961,285

Included in land and buildings is freehold land at valuation of £6,700,000 (2021: £6,700,000), cost unknown, which is not depreciated.

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

At 31 July 2022, included within the net book value of land and buildings is £44,533,139 (2021: £45,487,083) relating to freehold land and buildings and £17,976 (2021: £19,251) relating to long term leasehold land and buildings.

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 13. Fixed asset investments

Group	Listed investments £
<b>Cost or valuation</b>	
At 1 August 2021	959,113
Revaluations	4,862
At 31 July 2022	<u>963,975</u>
<b>Net book value</b>	
At 31 July 2022	<u>963,975</u>
At 31 July 2021	<u>959,113</u>

Company	Investments in subsidiary companies £	Listed investments £	Total £
<b>Cost or valuation</b>			
At 1 August 2021	1	959,113	959,114
Revaluations	-	4,862	4,862
At 31 July 2022	<u>1</u>	<u>963,975</u>	<u>963,976</u>
<b>Net book value</b>			
At 31 July 2022	<u>1</u>	<u>963,975</u>	<u>963,976</u>
At 31 July 2021	<u>1</u>	<u>959,113</u>	<u>959,114</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 14. Investment property

#### Group

Freehold  
investment  
property  
£

#### Valuation

At 1 August 2021 and 31 July 2022

365,000

#### Company

Freehold  
investment  
property  
£

#### Valuation

At 1 August 2021 and 31 July 2022

365,000

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

### 15. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Teaching and other stock	3,683	4,152	3,683	4,152
Kitchen	7,410	7,505	7,410	7,505
Goods for resale	5,205	722	-	-
	<u>16,298</u>	<u>12,379</u>	<u>11,093</u>	<u>11,657</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

### 16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	81,008	58,475	81,008	58,475
Amounts owed by group undertakings	-	-	11,862	-
Other debtors	9,042	21,389	5,854	21,389
Prepayments and accrued income	248,507	242,543	248,507	242,543
	<u>338,557</u>	<u>322,407</u>	<u>347,231</u>	<u>322,407</u>

### 17. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	840,000	840,000	840,000	840,000
Trade creditors	272,378	296,973	271,683	296,973
School field trip creditors	86,501	74,705	86,501	74,705
Pension creditor	203,022	9,016	203,022	9,016
Other taxation and social security	260,155	228,314	260,155	227,941
Other creditors	583,029	97,922	583,029	97,922
Accruals and deferred income	1,506,844	925,428	1,505,115	923,831
Fees received in advance	107,129	125,969	107,129	125,969
Deposits	69,200	71,400	69,200	71,400
	<u>3,928,258</u>	<u>2,669,727</u>	<u>3,925,834</u>	<u>2,667,757</u>

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Deferred income at the beginning of the year	197,369	167,026	197,369	167,026
Resources deferred during the year	176,329	197,369	176,329	197,369
Amounts released from previous periods	(197,369)	(167,026)	(197,369)	(167,026)
	<u>176,329</u>	<u>197,369</u>	<u>176,329</u>	<u>197,369</u>



# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	11,787,000	12,627,000	11,787,000	12,627,000
Deposits	197,600	190,400	197,600	190,400
Fees received in advance	45,990	119,390	45,990	119,390
	<u>12,030,590</u>	<u>12,936,790</u>	<u>12,030,590</u>	<u>12,936,790</u>

Included within the above are amounts falling due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Between one and two years</b>				
Bank loans	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>
<b>Between two and five years</b>				
Bank loans	<u>2,520,000</u>	<u>2,520,000</u>	<u>2,520,000</u>	<u>2,520,000</u>
<b>Over five years</b>				
Bank loans	<u>8,427,000</u>	<u>9,267,000</u>	<u>8,427,000</u>	<u>9,267,000</u>

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Payable or repayable by instalments	<u>8,427,000</u>	<u>9,267,000</u>	<u>8,427,000</u>	<u>9,267,000</u>

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the group and a debenture. At 31 July 2022, bank loans, including amounts falling due within one year, comprise the following loans:

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

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 19. Statement of funds

#### Statement of funds - current year

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

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 19. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2021 £
<b>Designated funds</b>					
Bursary Fund	3,725,332	-	(396,928)	-	3,328,404
Revaluation reserve	12,941,804	-	-	-	12,941,804
<b>General funds</b>					
School general fund	18,390,545	18,468,284	(17,586,977)	-	19,271,852
RGS Trading	10,059	1,867	(8,305)	-	3,621
	<u>18,400,604</u>	<u>18,470,151</u>	<u>(17,595,282)</u>	<u>-</u>	<u>19,275,473</u>
<b>Total unrestricted funds</b>	<u>35,067,740</u>	<u>18,470,151</u>	<u>(17,992,210)</u>	<u>-</u>	<u>35,545,681</u>
<b>Endowment funds</b>					
Prize Funds Charity	106,845	-	-	563	107,408
J R Howarth Bursary Fund	132,874	-	-	16,929	149,803
Peter Taylor Bursary Fund	82,899	-	-	13,254	96,153
The Storrow Scott Trust	891,897	-	-	78,852	970,749
	<u>1,214,515</u>	<u>-</u>	<u>-</u>	<u>109,598</u>	<u>1,324,113</u>
<b>Restricted funds</b>					
J R Howarth Bursary Fund	1,800	170	-	-	1,970
Peter Taylor Bursary Fund	15,428	71	-	-	15,499
School Bursary Fund	89,620	834,781	(798,230)	-	126,171
Cricket Fund	432	-	-	-	432
The Storrow Scott Trust	3,255	43,641	(27,750)	-	19,146
Prize Fund	-	2,488	(2,488)	-	-
	<u>110,535</u>	<u>881,151</u>	<u>(828,468)</u>	<u>-</u>	<u>163,218</u>
<b>Total of funds</b>	<u>36,392,790</u>	<u>19,351,302</u>	<u>(18,820,678)</u>	<u>109,598</u>	<u>37,033,012</u>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 July 2022

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

### **Unrestricted designated funds - Bursary fund**

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

### **Unrestricted general funds**

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

## **ENDOWMENT FUNDS**

Endowment funds are all permanent.

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

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

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

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

## **RESTRICTED FUNDS**

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

Restricted funds also include:

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

## **LINKED CHARITIES**

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

### **The Newcastle upon Tyne Royal Grammar School Property Trust**

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

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

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 July 2022**

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### **The Storrow Scott Charitable Will Trust**

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

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

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

### ***The Endowment Fund***

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

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

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

### ***The Restricted Fund***

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

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

### 20. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

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

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	45,965,595	-	-	45,965,595
Fixed asset investments	-	-	959,113	959,113
Investment property	-	-	365,000	365,000
Current assets	5,186,603	163,218	-	5,349,821
Creditors due within one year	(2,669,727)	-	-	(2,669,727)
Creditors due in more than one year	(12,936,790)	-	-	(12,936,790)
<b>Total</b>	<b>35,545,681</b>	<b>163,218</b>	<b>1,324,113</b>	<b>37,033,012</b>

# The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 July 2022

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

	Group 2022 £	Group 2021 £
Net income for the year (as per statement of financial activities)	636,729	640,222
<b>Adjustments for:</b>		
Depreciation charges	1,257,029	1,439,983
Interest paid	463,545	560,872
(Gains)/losses on investments	(4,862)	(109,598)
Dividends, interests and rents from investments	(100,947)	(52,683)
(Increase)/decrease in stocks	(3,919)	12,154
Decrease/(increase) in debtors	10,852	(73,994)
Increase/(decrease) in creditors	1,165,329	(236,484)
<b>Net cash provided by operating activities</b>	<b>3,423,756</b>	<b>2,180,472</b>

### 22. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	6,678,030	5,015,035

### 23. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	Other non- cash changes £	At 31 July 2022 £
Cash at bank and in hand	5,015,035	1,662,995	-	6,678,030
Debt due within 1 year	(840,000)	840,000	(840,000)	(840,000)
Debt due after 1 year	(12,627,000)	-	840,000	(11,787,000)
	<b>(8,451,965)</b>	<b>2,502,995</b>	<b>-</b>	<b>(5,948,970)</b>

# **The Newcastle upon Tyne Royal Grammar School**

(A company limited by guarantee)

## **Notes to the financial statements**

**Year ended 31 July 2022**

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### **24. Pension commitments**

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

#### **Teachers' Pension Scheme**

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

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,591,320 (2021: £1,519,350). Contributions totalling £203,022 (2021: £9,016) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

#### **Valuation of the Teacher's Pension Scheme**

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

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

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

#### **RGS Support Staff Pension Scheme**

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

The pension cost charge represents contributions payable by the company to the fund and amounted to £207,510 (2021: £191,525). Contributions totalling £nil (2021: £nil) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.



# The Newcastle upon Tyne Royal Grammar School

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## Notes to the financial statements Year ended 31 July 2022

### 25. Operating lease commitments

At 31 July 2022 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Not later than 1 year	61,945	90,089	61,945	90,089
Later than 1 year and not later than 5 years	71,269	108,285	71,269	108,285
Later than 5 years	246,293	260,944	246,293	260,944
	<u>379,507</u>	<u>459,318</u>	<u>379,507</u>	<u>459,318</u>

### 26. Related party transactions

Some governors are also trustees of The Royal Grammar School Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The group maintains a bank account on behalf of the charity in respect of donations towards the charity's campaign appeal and the group has met the charity's campaign costs totalling £133,502 (2021: £123,220). The contribution towards bursaries by the charity this year amounted to £904,035 (2021: £828,468). The group made a donation to the charity during the year of £450,000 (2021: £396,928), to be invested to provide future bursaries.

The Storrow Scott Charitable Will Trust, a charity controlled by the group, applies its income to The Royal Grammar School Educational Trust. Grants paid or payable in the year amount to £28,998 (2021: £27,750).

Purchases of £4,567 were made in the year from the charity's subsidiary RGS Trading Limited as well as recharges of £8,501 for staff costs and administration. The balance owed by RGS Trading Limited at year end is £11,862.

### 27. Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

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

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
RGS Trading Limited	47,273	(46,741)	532	4,153