

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Hill M R White K Bradshaw R Mann N Lloyd
Governors	S Bond-Williams (appointed 21 September 2021) S Bunn J Eagle S Hawke M Heywood, Principal L Lang N Lloyd R Morgan-Guthrie C Reynolds L Rzeczkowski B Kumar (appointed 18 July 2022)
Company registered number	09250153
Company name	The Royal School, Wolverhampton
Principal and registered office	Penn Road Wolverhampton West Midlands United Kingdom WV3 0EG
Senior management team	M Heywood, Principal J Phillips, Director of Finance & Services L Hale, Vice Principal, Curriculum, Learning & Teaching A Dent, Vice Principal, Safeguarding & Pupil Welfare M Mitchell, Head of Primary School K Jefferson, Deputy Primary Headteacher R Jones, Head of Sixth Form A Large, Head of Boarding S Afifi, SENCO

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditor	Cooper Parry Group Limited Chartered Accountants Cubo Birmingham Office 401, 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	Barclays Bank PLC Wolverhampton West Midlands WV1 1DS
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Free School operates a Free School for pupils aged 4 to 19. It is an all-through, nonselective, nondenominational school for boys and girls comprising a Primary School, a Senior School and 6th Form. It is both a day and state boarding school.

It is situated on a campus of around 25 acres, separated by two roads, just outside Wolverhampton city centre.

The school serves a catchment area of the whole of Wolverhampton for Primary School children and an even wider area for Senior School pupils across Wolverhampton and surrounding districts including national and international boarders. It has a pupil capacity of 1,454 and had a roll of 1,476, 1,394 day pupils and 82 boarders in the school in the census on October 2022.

The Royal School Wolverhampton converted from an independent school in September 2016. Every year since then it has been the most oversubscribed school in the area, and DfE statistics repeatedly show the Senior School to be the hardest to get into in the country with typically more than 900 applications for 33 Year 7 places. Primary School is similarly oversubscribed with typically 400+ applications for 90 places in Reception. It has plans to grow.

Structure, governance and management

a. Constitution

The Free School is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Free School. The trustees (known in the school as 'Governors' and hereinafter referred to as such) of the Royal School, Wolverhampton are also the directors of the charitable company for the purposes of company law. The charitable company operates as the Royal School, Wolverhampton.

The school has a commercial subsidiary on one part of the campus, RWS Enterprises Limited, which operates a sports facility, primarily a swimming pool with one of the largest 'community' Learn to Swim programmes in the country and an astro turf pitch. Both serve the school and the local community through a 'lettings enterprise' arm of the school.

Details of the Governors and Members who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Governors' indemnities

The Free School has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Free School business. The scheme provides cover up to £10,000,000.

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GOVERNORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

Members may appoint up to 6 Governors and as at 31 August 2022 there were 4 Appointed Governors. The Members may appoint staff governors through such process that they determine. The total number of Governors who are employees of the school, must not exceed one third of the total number of Governors.

Additionally, a minimum of 2 Parent Governors must be elected by parents of the school. A Parent Governor must be the parent of a pupil registered at the school at the time of their election. Both Parent Governors have been appointed and inducted.

The Governors have appointed up to the permitted maximum of 4 Co-opted Governors.

The Principal may be a Governor, providing he/she wishes to be and the appointment is approved by an ordinary resolution of the Members. This has been done and the Principal is a Governor. When the Principal attends a Governor meeting for agenda items in his role as Accounting Officer he is not permitted to vote as a Governor on those items.

e. Policies adopted for the induction and training of Governors

All Governors are inducted formally into the Governing Board (GB) and receive a welcome pack containing all the relevant documents needed to understand and govern the school. New Governors are 'buddied' up with existing experienced Governors who can provide support and help with any gaps in knowledge.

Governors keep abreast of national governance developments through automatic membership of the National Governors Association (NGA). All Governors are provided with membership to the NGA and should receive a weekly email containing the most relevant information and issues regarding governance. Governors also have access, via the School's subscription, to The Key which provides training and reference materials for Governors and teaching staff.

Training is also provided through a training course subscription to Sandwell Inspired Partnerships (SIPS) who clerk Governor meetings as the 'Governance Professional'. A termly programme of Governor training is available covering the wide range of issues concerning school and Governor responsibilities. Seminars and webinars for Governors and staff are also available from VWV, our legal advisers.

The Clerk to the Governors (Governance professional – SIPS) provides ongoing guidance on governance and compliance matters and requirements, helping ensure that meetings and Governors meet the requirements for good governance and conform to the Academies Trust Handbook and the Funding Agreement, including annual updates.

In addition to any safeguarding training courses, the Vice Principal, responsible as Designated Safeguarding Lead for safeguarding, provides updates to Governors on safeguarding issues and changes to guidance and legislation.

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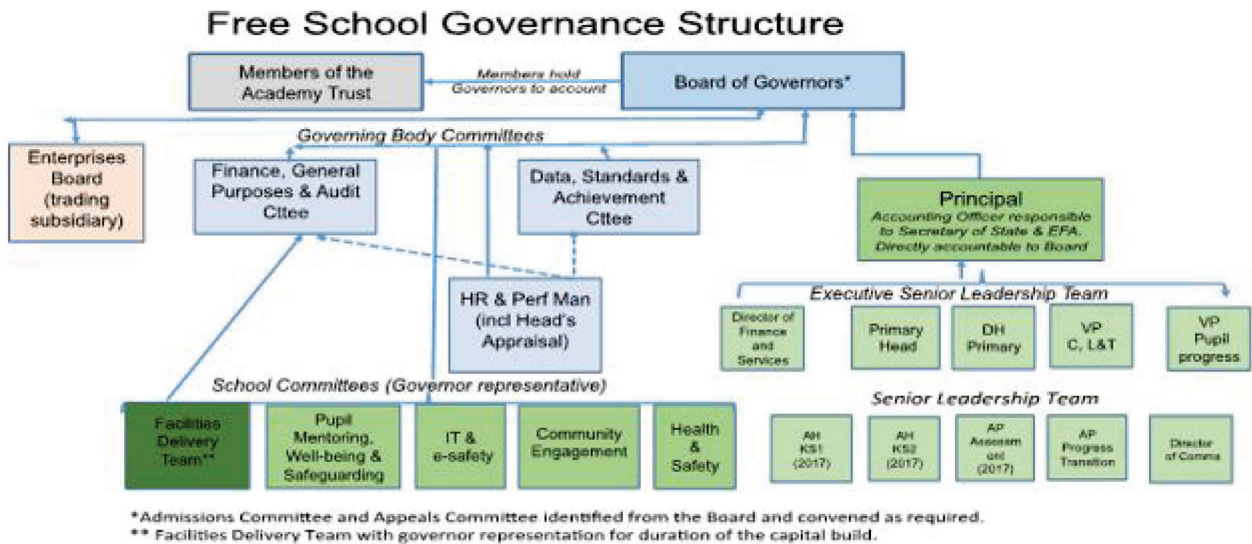
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Prior to each Data, Standards and Achievement Committee meeting there is often a training session covering key priorities such as interpreting and evaluating school and national data. The priorities are decided between Governors and Senior Leadership Team (SLT). Governors frequently visit lessons as part of a 'Governor Walk' programme or to see an aspect of education in practice and 'link governors' take a leading role in the implementation of the School Improvement Plan offering support and challenge.

Typically, a day of training for Governors and the Senior Leadership Team (SLT) is carried out annually, with part devoted to strategic thinking relating the Trust and future developments.

f. Organisational structure



The Principal is a member of the Board of Governors and is the Accounting Officer (AO). The Director of Finance is the Chief Financial Officer (CFO). The Principal acts as Chief Executive Officer (CEO) and is responsible for the day to day operation of the School and for the implementation of the Governing Board's (GB) decisions in addition to his responsibility as AO. The SLT is responsible to the Principal for implementation.

Review of committees and delegation

The governing board as required, reviews the establishment, terms of reference, constitution and membership of any committee annually and reviews the delegation of functions to committees and individuals annually.

The Governing Board operates under the following terms of reference, all of which it meets:

Terms of Reference

1. The board of trustees and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management. Board meetings must take place at least three times a year (and business conducted only when quorate). If the board meets less than six times a year it must describe in its governance statement, accompanying its annual accounts, how it maintained effective oversight of funds with fewer meetings.
2. To hold an annual Strategic Planning Session, in coordination with the Senior Leadership Team, setting the strategic vision and aims for the coming year, approving the School Development and Improvement Plan and establishing Key Performance Indicators/Targets and reporting milestones (both academic and financial) to ensure that RSW, as a Free School, delivers against these, and that the school is effectively

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GOVERNORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

held to account. There were 2 full strategic sessions in the year and a Strategic Group, made up of Governors and SLT members are refining the strategy and are attended by expert advisers.

3. As part of the above, ensuring that strategy is shared with key stakeholders, and that Governors are properly accountable to pupils and parents for the impact of their strategy.
4. To agree constitutional matters, including procedures where the Governing Board has discretion.
5. To keep under review on an annual basis the most effective way of managing the business of Governance, including the committees of the Governing Board, their membership and Chair, terms of reference and areas of delegation (including the process for determining whether any further action by the GB is required); and publishing the annual meeting cycle/programme of business to support informed decision making and ensure statutory compliance.
6. To appoint (or remove) the Chair and Vice Chair, the former on an annual basis, and keep under review the effectiveness of Clerking, in enabling Governors to fully discharge their legal and fiduciary duties.
7. To keep under review and approve key RSW Free School policies and their practice as determined from time to time by the GB, but to include Safeguarding, RSW's Health and Safety Policy, Risk Management Strategy, RSW's overall Pay Policy and its Performance Review and Development Policy (PRDP).
8. To receive an annual report on the performance of the Principal and the Head of the Primary through the Personal Review and Development Plan (PRDP) and, as part of the normal cycle of events, responsibility for the appointment, remuneration, and/or dismissal of the same.
9. To approve the school's budget, and to ensure that there are robust operational controls in place at all times for all financial processes within the Free School, and consider budgetary control reports from the Finance, Audit and Risk Committee (FAR) at every meeting, with relevant explanations of any variances and documentation, as required.
10. To oversee the latest financial statements as presented by the FAR at each of its meetings.
11. To establish and keep under annual review the Scheme of Financial Delegation, to include:
 - Determining levels of expenditure to be approved by the GB itself (e.g. committing to contracts over certain values), and levels to be delegated
 - Approving transfers between budgets over certain limits
 - Approving specific accommodation proposals, particularly during the period when major capital works are being undertaken by the ESFA
 - Approving any significant change to the staffing establishment/structure
12. To ensure that audit arrangements for RSW as a Free School and, separately, the trading subsidiary RWS Enterprises Ltd, reflect best financial and accounting practice, including the appointment of and the Receipt of reports from the external auditors, approval of the audited financial statements and Annual Report prior to their submission to Companies House and the SOS.

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GOVERNORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

13. As part of the above, to appoint, determine the programme for and maintain oversight of the reports and actions resulting from the work of the internal auditor, on the use of resources, systems of internal financial control, and discharge of financial responsibilities; ensuring that this externally sourced programme of work has a specific focus on potential areas of risk, including but not limited to the full separation of boarding costs from those which are met through the Funding Agreement, and the transparency of operations of RSW's ongoing Trading Subsidiary.
14. To ensure that the GB keeps under regular review the impact of its work; has the necessary skills and expertise available, through a managed programme of recruitment, training and succession planning; and that all Governors adhere to its Code of Practice and specification for the role and conduct of Governors, as amended from time to time, and the Seven Principles of Public Life.
15. The above to include maintaining an up to date Register of Business Interests and Related Party Transactions for all governors, and those Free School staff with financial responsibilities and adhering to the Free School's Conflict of Interest Policy.

The Chair of the GB, who is required under the Articles to serve as a Member from time to time, has a responsibility to ensure Members are kept abreast of relevant developments, and can attend a meeting at least annually to challenge the Board on the impact of its stewardship, and on how the ethos is being delivered.

Committees

Each committee must contain a majority of trustees, but it may also include other people the board chooses to appoint.

The clerk to the board (SIPS Governance professional) will undertake the clerking of the committees.

The committee minutes shall be included as an agenda item for consideration/information at the next meeting of the board of trustees appropriate.

All decisions made by committees with delegated powers should be reported to the next meeting of the board of trustees. If the minutes are not finalised a brief statement of the conclusions reached should be given.

The chair of the committee will be appointed at the first board of trustees/committee meeting of the academic year.

Committees will have delegated powers to approve policies as relevant to that committee.

The board cannot delegate overall responsibility for the Free School's funds. However, it must approve a written scheme of delegation of financial powers that maintains robust internal controls.

There are 2 key committees of the Governing Board:

Finance, Audit and Risk (FAR) Data,
Standards and Achievement (DSA) - academic and personal development standards committee

A third Governor led committee, the HR and Performance Management Committee, reports formally through the DSA but submits recommendations that have financial or strategic policy implications either through the mediation of the FAR or directly to the GB.

The Admissions Committee, meets at least once a year, or more frequently as required.

The Appeals Committee is convened from the GB, as required.

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GOVERNORS' REPORT (CONTINUED)
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Structure, governance and management (continued)

There are, additionally, 2 school based working groups chaired by an executive lead,

IT and ESafety
Health and Safety

g. Arrangements for setting pay and remuneration of key management personnel

The Principal, (or the Chair of Governors if the post to be filled is the Principal) in consultation with the HRPM (and FAR when appointing the Principal) determines the pay range for a vacant post, in line with the School's staffing structure and budget, prior to advertising the position. An appropriate offer will be made to the successful applicant which may take into account all or any of the following factors at the School's discretion:

- the employee's current pay grade;
- the nature of the post;
- the level of qualifications, skills and experience required;
- market conditions;
- the School's development plan;
- the wider school context; and
- the School's budget from time to time.

h. Trade union facility time

The school has no union officials and therefore had no time or costs spent on union activities during the year.

i. Related parties and other connected charities and organisations

The school has a trading subsidiary RWS Enterprises Ltd. This is accountable directly to the Governing Board for the transparency, rigour and effectiveness of its operations, and submits regular reports to each meeting of the FAR for scrutiny. Its membership includes at least 1 Director who is independent of the school.

j. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The School carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Governors.

The School has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the School's equal opportunities policy, it has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the School's offices.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

a. Objects and aims

The Free School's objects are specifically restricted to the following;

a) To advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

b) To promote for the benefit of the inhabitants of Wolverhampton and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the objects of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

Through its curriculum and co curriculum, underpinned by its creative challenge based pedagogy and 4 - 19 context, The School, has opened up the very best of an independent Free School education to the local and wider community.

The strategic objectives are to:

- Establish and consolidate a wider, cohesive and aspirational community of learners with a local and international perspective;
- Be the school of choice for pupils, parents and staff;
- Enable all pupils, at whatever point of entry, to excel and to live up to their potential, in terms of academic success and a wider range of talents, developing character and intellect, and instilling a sense of responsibility and service to the wider community;
- Close the gap between the performance of pupils identified as 'disadvantaged' and other pupil groups;
- Ensure effective transition through the 4-19 school with absolutely no NEET pupils. (Not in Education, Employment or Training);
- Increase aspiration and successful progression to outstanding quality destinations and into the world of employment and training;
- Be recognised as outperforming local and national trends and as providers of an outstanding learning experience against OFSTED and other national and, as appropriate, international indicators; and
- Maintain and extend RSW's contribution to the wider community.

c. Public benefit

The Free School aims to advance for the public benefit education in the Wolverhampton and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Free School also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The details of the particular activities of the Free School during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Free School's aims and objectives and in planning its future activities.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

The School's overarching objective to offer an enriching, aspirational and creative curriculum and co-curriculum for the all-through school has been achieved for local children, boarders from farther afield including vulnerable young people in a range of ways in the different phases and stages of the School.

The School had 1,449 pupils on roll, 630 primary pupils and 819 secondary aged pupils with 236 of those in Post 16 education. The objective to be the school of choice locally has been realised as it is again the most oversubscribed state senior school in the UK for entry 2021/22 and is oversubscribed at every entry level including Post 16 entry and all available boarding places were allocated. The DFE identified it as 'the most difficult school to secure a Year 7 place in England' again in 2021/22; some 936 applications were received for the limited places. All PAN places were full as of September 2021 with significant oversubscription at Reception (YR), Year 7, Year 12 and also for boarding places from UK and international where pupils have 'right to remain' or UK passports. Boarding numbers have reached capacity at 82, due to ongoing significant capital works and included a number of UASC young people (Unaccompanied Asylum Seeking Children) and LAC pupils (Looked After Children) which continues to celebrate the diversity and strength of the community provision on offer. The School's collaboration with Wolverhampton City Council and the Springboard RNCF Trust in working with vulnerable children has been nationally recognised as strong and supportive practice. More than 16 nationalities continue to be represented in the boarding population. Extensive waiting lists operate in each year group, and for boarding places, with many appeals being lodged for places in the school, such is the demand. The Governors and leadership team believe that the school has achieved the objective, and interest from parents continues to grow with applications continuing to grow year on year.

The boarding section of school continues to grow and diversify and the identification of the setting being the Boarding School Of The Year Award for 'Working with vulnerable children 2020', it was followed up in 2021 with an award for 'Research in Boarding' award which reflected the work for personal development and a 'Boarding Passport' to evidence the achievement of the boarding pupils. The extensive range of opportunities for pupils in boarding from the age of 11 to 19 enables the objective of developing character and intellect through the aesthetic, sporting, cultural and fun-based excursions each weekend and at other times in Halloween, Christmas party and film nights.

Attendance throughout 2021/22 remained strong and with Covid-19 restrictions being lifted whilst retaining on-line learning experience through Microsoft Teams ensured that 98% of pupils continued to engage with face to face learning and also had remote access should the need arise. The School accessed the full range of tutoring and online learning support systems to ensure that pupils recovered effectively from the challenges of the recent years. Data collected in learning cycle assessments and in the end of year assessments indicate strongly that pupils made the expected progress and in fact more than might have been expected at all phases. Teachers prepared for the return to face to face learning by expanding and developing their curriculum and to ensure that all staff and pupils continued to identify gaps and then make progress. Absence and persistent absence rates were in the lowest 20% of schools nationally in 2021/22 which indicates that pupils are enthusiastic about their learning and are keen to be in school so that they make progress.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

There were 261 pupils identified with SEND (Special Educational Needs and Disabilities) and 32 with EHCP (Education Health Care Plans), all of whom have their needs well met directly by the SEND team and teachers. This has increased significantly from previous years and has required additional resource and staffing. There were 63 children considered as LAC/PLAC. 48% of pupils in the school identified as having English as an additional language (EAL). This suggests, along with local information that the school has higher than national and local higher needs pupils according to government figures. At Key Stage 2 progress for low prior attainers in writing was significantly above national figures and in highest 20% which indicates the excellent work invested to all pupils to close the gap between those identified as disadvantaged and other pupil groups.

The school has grown considerably since conversion in September 2016 to a free school and more than 1,000 pupils have been added to the roll up to July 2022. The 'churn' and pupil movement has settled, except in years 10 and 11 of boarding where pupils have tended to join for short courses, and therefore the data for KS2 and KS4 now better indicate a stable population and hence outcomes are very strong for these stages. More of the School's Year 11 (grown from 64 pupils in 2019 to 125 pupils in 2022) have stayed on for Sixth form and fewer joining from outside the school, which aids progress and attainment in the coming years.

This year has seen the culmination of the development of the primary school since the conversion to a free school in 2016. The outcomes, both personal and academic, reflect the transformational work which has taken place over the past seven years. These outcomes would have been more apparent several years ago but the hiatus due to COVID-19 has meant that our internal data has not been able to compared to national benchmarks since 2019.

Children in the Early Years and Key Stage 1 continue to perform strongly academically – slightly above national figures. However, the investment in the personal development of the children, in combination with the carefully planned, creative curriculum, is clearly evident in the outcomes at the end of the primary phase.

Throughout the rapid expansion of the primary school, our values driven approach has always remained 'centre stage' as we have further developed the aspirational culture. Our refusal to aim for specific data benchmarks in order to prioritise the holistic development of children has ensured that every child experiences a broad and balanced curriculum, enhanced by highly impactful educational visits and experiences. These cornerstones of our beliefs have meant that children are not pressured into achieving a particular score on a test but rather they are asked to apply their knowledge in ever more complex and challenging contexts in order to deepen their learning. Our published data now clearly demonstrates that this approach leads to remarkable outcomes in the testing arena.

When the first iteration of the IDSR (Inspection Data Summary Report) was published in November 2022 the verdict was clear – The Royal School has invested well in its values led approach. The children in year six were in the top 20% of schools nationally for progress in reading, writing and mathematics. This alone demonstrates the impact of curriculum model. When combined with the attainment comparisons, it is beyond doubt that our vision has achieved something worthy of significant attention.

In 2022 the year six children's attainment was in the top 20% of schools nationally for writing, for mathematics at greater depth and for reading at both the expected level and greater depth. Looking at the combined measures, attainment in reading, writing and mathematics (13%) at greater depth was significantly above national figures and in the English grammar, punctuation and spelling test our outcomes were in the top 20% of schools nationally for both the expected level and greater depth.

Our approach has always had inclusion at its heart – a good education for all. This data shows that no matter the starting point, children at The Royal progress well and achieve strongly. This is further underlined when analysing the performance of year 4 children in the newly introduced multiplication check. Our school achieved an average point score of 20.7 (out of 25), 0.9 above the national. But it is the consistency of performance that is also praiseworthy. When looking at different groups of potentially vulnerable learners there is only a variance of 0.3 in any category in comparison to 3.3 nationally. We have a saying 'We all do well, when we all do well.' As we

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

have focused on wellbeing, a well-rounded curriculum and a foundation of values, the children have all done well.

Since conversion, the primary school has established a clear, distributive leadership structure including: Year Group leads, Phase Leaders, Assistant Head Teacher, Inclusion Manager and Deputy Head Teacher. Many of these posts have been filled through internal promotion as staff have been skilfully developed through the continuous professional training we have offered. All have been vital to ensure that the curriculum is delivered to the highest standard, enabling teachers to unlock their creative capacity for the benefit of their children.

These achievements are made more remarkable by the context within which children have been learning – namely the huge disruption that they have experienced due to the ongoing building program. Classes have been housed in rooms which are too small, had to move mid-year, been relocated for periods of time due to failing heating, electricity or leaking roofs and many issues beside. The whole staff team have risen to every challenge; never making room for any excuses. The learning community has pulled together throughout to ensure that children have the opportunities they deserve.

We have also been delighted that during this year we have been able to fully re-open our extended day program of activities, which prove as popular as ever. These too contribute strongly to the children's educational outcomes, enabling them to grow in confidence and broaden their skills in a whole host of ways.

As the overwhelming majority of children now transition from the primary phase into the senior school, we know that they are doing so with the skills, knowledge and personal attributes that will enable them to gain the qualifications at the end of Key Stage 4 and 5 which will unlock their future

At Key Stage 4, progress has been very strong and a positive Alps Grade 2 for all GCSE entries places the school in the top 10% of schools nationally for progress from KS2 to KS4. This is a considerable improvement for the school since conversion to a free school in 2016 and the Year 11 cohort demonstrates the effective support that an all-through school can achieve. The positive progress 8 score of +0.44 indicates that pupils made approximately nearly half a grade better than predicted by their KS2 attainment score in each of their GCSE's. This ensures that they are well prepared for the next stages of their academic life, which forms one of the school's key objectives. Outcomes at GCSE in mathematics, science, languages and humanities were significantly above National and local levels and in highest 20% of schools nationally. Progress of pupils in mathematics was significantly above national and in highest 20% in 2022. Retention to Year 12 in the Royal School was more than 80% of Y11 and all pupils progressed to their chosen course and destination for their next stage of their academic careers. There were no 'differences in attainment' identified between groups of pupils (SEND and EAL), and the School has successfully closed the gap between 'disadvantaged' pupils and their peers at every stage of a pupil's life in the school as there is -0.03 difference between those identified groups. The school retained a greater number of high prior attainers from Y11 at the Royal School into the Sixth Form and many of our highest attainers are studying a wide range of academic A levels. The vocational BTEC route also provides an alternative pathway for our pupils who prefer a learning style suited to both coursework and exams and has helped to retain some of our middle prior attainers where BTEC qualifications are more suitable than the academic A level programme.

At Key Stage 5, 85% of pupils applying to university again achieved their preferred choice of placement and 100% of those who chose to go to university achieved their place along with a range of apprenticeships and employment opportunities resulting in no NEETs (Not in Education, Employment or Training) as was the target for the legacy year and in the future. The Careers, Information and Guidance (CIAG) work has been integrated with an external provider to ensure that all Gatsby Benchmarks were achieved at 100% enabling all young people at KS4 and 5 to gain relevant work experience and information about applications to university, apprenticeships and work.

The target of ensuring that there is an effective transition through 4-19 ages is supported by the outcomes identified above and the fact that there were no NEET pupils at the end of their time of study with the school.

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GOVERNORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Pupils experience a wide range of carefully planned experiences both in and outside school, such as art, music and sport. This broadens their self-esteem and confidence. There are over 100 compulsory extracurricular activities weekly in the senior school in addition to the 75 in Primary phase which is identified as a significant strength of the school in developing confident and well-adjusted young people able to take their place at university and the world of work. Sport continues to be central to much of the success of pupils, and in the year 2021/22 there were multiple teams across primary and secondary phases in the summer term 2022. This includes swimming, football, netball, basketball, table tennis, Dodgeball, tennis, badminton, rugby and a range of other sports. Leadership and personal development remains at the heart of life at The Royal School and the growth and expansion of 'cadet' based activity has been impressive. In addition to the Army and Air force cadets there are now cadre of Nursing and Police cadets that operate weekly and involve officers and pupils from other local settings which adds further to the local role the Royal School has in the community. These also benefit from off-site activity such as flying lessons, army camps, police and nursing experience in the local area and now involve up to 200 pupils weekly.

In addition, the Elite Swimming programme Training continued and swimmers made strong progress during the time the pool was allowed to be open fully. The exceptional outcomes of previous years for the three programmes of the Elite swimming club (RWSSC) The programme, begun in 2009, continues to be oversubscribed for places and results at Regional, National and International competitions have improved year on year. Swimmers continue to place on the podium at the highest level, be it for Ghana, GB, England or Wales. There are also a number of male and female football academy players at U13, U16 and U18 (Wolverhampton Wanderers, West Bromwich and Walsall) and many other individual representative sportsmen and women. The School believes that this demonstrates that the pupils outperform local and national trends and shows an outstanding learning experience is available and continues to develop further.

The School also sets out to extend RSW's contribution to the wider community and, with the Learn to Swim programme in the School's 25m pool, continues to attract more than 1400 young and old people from the local community and many benefit from outstanding teaching and learning experiences weekly. The Sports centre opened swiftly after Covid-19 restrictions were lifted and numbers have returned to pre-covid levels with exceptional demand in many classes. All primary pupils at the school are able to swim weekly and for our culturally diverse community this is a significant strength of the school. The AstroTurf pitch, dance studio, gymnasium and seminar room are booked by the wider community each evening and at weekends and are at capacity.

During the holidays 'Camps' are offered – UAC and Strive, which cover a variety of young people. Strive in particular focuses on the vulnerable young people and places are supported by Pupil premium and school funding where appropriate to support local families whether they are pupils of the school or not. Those camps at half terms and each main holiday run at capacity and remain very popular.

The School's Chapel and Queen Victoria Hall have been used extensively by local faith groups and other organisations as are the Sports facilities, dance studio, theatre and drama facilities as measures allowed.

The Royal School considers that it has met all of the objectives and at the highest standard. The focus remains on the wellbeing of pupils, staff and community and the academic outcomes for pupils which have strengthened considerably and enabled all students to progress to their chosen course of study or work. Equally the community links continued to be furthered once permitted through Covid-19 measures and the school has exceeded local and national measures at all levels.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

A number of benchmarks were used to compare the school's performance indicators, including

	Benchmark	Actual
Average teacher cost	£50k-£54k	£57k
Contact ratio	0.78-0.80	0.81
Average class size	23-26	23.45
Staffing costs as a percentage of income	72%-75%	74%
Teaching staff costs as a percentage of income	45%-49%	44%

b. Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Free School has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The planned building and refurbishment programme for the Royal Primary and Secondary phases was temporarily paused in July 2019 having completed some 25% of the expected scheme. The building programme restarted in November 2020. The new programme is expected to now reach completion in 2024 (Primary) and 2025 (Secondary).

Financial review

In the financial year 2021/22, the school received income into its restricted fund, unrestricted fund and fixed asset fund.

The School reduced the deficit on its revenue funds by £256,308.

Restricted fund

The majority of the trust's funding was received through the Education and Skills Funding Agency, revenue GAG funding and was based on estimated pupil numbers and adjusted after the census in October 2021. This funding is restricted to delivering the schools educational aims and objectives.

Restricted fund income in the year amounted to £8,499,265 and expenditure against this fund amounted to £8,071,404 giving an in-year surplus of £427,861

Unrestricted Funds

Total income received into the school's unrestricted fund was £2,045,359 and expenditure against this fund was £2,216,912 giving an in-year deficit of £171,553

This funding is not restricted and is largely generated by the school's boarding activities and the trading subsidiary. Other sources of unrestricted income include Catering, pupil after-school activities and visits.

A Transfer between funds has been completed this year to apportion Catering costs to the grant income that has been received for UIFSM and FSM.

Restricted Fixed Asset fund

This fund includes the estimated value of assets that the school leases from the Secretary of state. This fund is reduced by depreciation in line with the schools depreciation policy.

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

It also includes funding that has been claimed from the Education and Skills funding agency for IT equipment and furniture.

The total fund to carry forward is £3,851,883

Summary

The total fund balance as at 31 August 2022 is £3,817,521.

This is comprised of restricted funds, £490,581 a deficit in the unrestricted fund of (£524,943) and £3,851,883 in the restricted fixed asset fund.

Balance Sheet

The school's assets are predominantly used for providing education to pupils.

The net book value of the school's tangible fixed assets as at 31 August 2022 was £3,846,531

Total net current liabilities as at 31 August 2022 was (£29,010)

Cash in hand was £1,212,063.

a. Reserves policy

The Board of Governors reviews its reserves policy annually. The reserves policy for the school (excluding Fixed Assets) is to hold a fund totalling at least 5% of annual income. The free school is carrying a net deficit of £34,362, on restricted general funds plus unrestricted funds. The Governors aim to build unrestricted funds to a level that will enable the school to invest in the development plans of the school.

b. Investment policy

The investment objectives are to:

- act within their powers to invest as set out in their articles of association
- have an investment policy to manage, control and track their financial exposure, and ensure value for money exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser
- ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- ensure that all investment decisions are in the best interests of the trust and command broad public support
- review the trust's investments and investment policy regularly

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

c. Principal risks and uncertainties

The board of Governors has reviewed the key risks to which the academy is exposed, including Strategic and reputational, operational, compliance and financial together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

The principal risks facing the school are;

- Premises – Building project not completed – insufficient spaces to teach pupils and potentially unrecoverable capital and maintenance spend on old Victorian buildings which have not yet been renovated and improved.
- IT – Cyber attack

Fundraising

The Charitable Company had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Any fundraising is carried out by The Royal Wolverhampton School Foundation (formerly known as The Royal Wolverhampton School). The foundation contacts the members of its community, namely alumnae, current and past parents and friends of the schools, regarding fundraising activities. The Foundation does not contact general members of the public who are not identified as a stakeholder group of the school. All fundraising efforts make clear that any donations are voluntary and do not place any undue pressure on an individual. Once subscribed, it is very easy for individuals to unsubscribe and stop receiving any form of communications.

In the last financial year there have not been any breaches or failure to comply with fundraising regulatory standards of any regulatory body governing fundraising policies. There have not been any formal complaints against the Foundation's fundraising procedures.

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The Trust has developed a Strategic Planning Group (SPG) to address its wish for future growth. The SPG believes that the financial deficit needs to be wiped out and the building programme at least 80% complete before it considers the next steps. Then, and only then does it consider the best approach is organic growth of the Trust initially by the School having a fifth form of entry at Y7. Further growth could be met by providing additional school places in new school settings with the Trust becoming a MAT. This would better meet the extraordinary unmet demand for places at the school

The School Improvement Plan identifies four key areas for improvement in the year 2022/23.

Key Priority 1: Accelerate pupil progress in all subjects and in all key stages to ensure that pupils who enter at any stage/age are able to progress successfully to the next phase of their education.

Key Priority 2: Further improve the quality of learning and teaching in all phases and subject areas and to develop a self-sustaining and improving school.

Key Priority 3: Further improve the quality of leadership at all levels, including governance within the developing context of the school.

Key Priority 4: Further improve the quality of pupils' personal development including welfare, boarding, extended day and opportunities beyond the curriculum to develop 'character'.

Each priority area is underpinned by a series of personalised and individual targets.

Funds held as custodian on behalf of others


Neither the school nor the Board of Governors are acting as third party custodian trustees.

Disclosure of information to auditor

So far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2022 and signed on its behalf by:

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N Lloyd
Chair of Trustees

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Royal School, Wolverhampton has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Governors has delegated the day to day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Royal School, Wolverhampton and the Secretary of State for Education. He is also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The board of Governors formally met 7 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Steve Bunn	5	7
Mark Heywood, Principal	7	7
Linda Lang	6	7
Cherry Reynolds	6	7
Neil Lloyd (Chair)	7	7
Rachel Guthrie	5	7
Lukasz Rzeczkowski	2	7
Jon Eagle, Parent Governor	4	7
Steve Hawke	4	7
Sarah Bond-Williams	4	7
B Kumar	0	0

Composition of the Board

The Ofsted inspection of July 2019 identified an appropriately experienced and able Governing Board which was successfully overseeing the strategic developments of the school and holding the Leadership team to account.

The Board and DSA are satisfied that the quality of information provided to it is sufficient for it to carry out its role. Similarly, the FAR receives detailed and regular financial reports and accounts.

The composition of the Board is aimed at ensuring it has the wide range of skills needed in such a complex environment. This school is more complex than most as it is an all through school; it has international boarding; operates an extended day with a vast range of characterbuilding cocurricular activities; has a separate Enterprises company; and operates a swimming pool and leisure complex which supports an Elite swimming squad, led by a former Olympic swimmer, and offers the local community the largest Learn to Swim programme in the country.

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The following examples demonstrate the range and depth of Board members.

- The Chair is Neil Lloyd, a Chartered Banker and marketing specialist, who is Managing Director of FBC Manby Bowdler, a prominent local legal firm.
- The DSA Committee is chaired by Steve Hawke, a former Head with extensive schoolturnaround experience, who has been at the forefront of developing school leaders for many years.
- He is supported by Professor Linda Lang who was the Dean of the University of Wolverhampton's Faculty of Education, Health and Wellbeing.
- Cherry Reynolds MBE brings her extensive SEND and education leadership experience to the DS&A.
- The FAR is chaired by Steve Bunn, an Engineer and a Chartered Accountant, who is a Director at Interpath Advisory, a financial advisory business with a broad range of specialisms.

Conflict of Interest

The Free School has a Conflicts of Interest policy in place, which is regularly reviewed and updated by management and the Board of Trustees. This policy is communicated to all Members, Trustees, and employees of the Free School and all Members, Trustees and senior leadership team employees are required to confirm they have read the Conflicts of Interest policy on annual basis.

In line with the policy, all Members, Trustees and senior leadership team employees are required to complete a declaration of any business or pecuniary interests on an annual basis or, in the case of individuals taking up these roles during the year, at the point of taking up their role. A register of interests is then maintained by the Free School's Governance Clerk, which is reviewed at the start of each Board of Trustee meeting and also provided to Free School's finance team for monitoring in relation to any transactions with any organisations in which interests have been declared. Any transactions with organisations in which any interests have been declared are reported to the Board of Trustees in advance of the transactions, so that formal approval can be provided by the Board where the transaction is considered appropriate and formal notification to the ESFA can then be made, including where relevant, seeking pre-approval.

In relation to the activities of the Free School's subsidiary company, RWS Enterprises Ltd, the company has its own Board of Directors which consists of both Directors appointed by the Free School and independently appointed Directors. Where any decisions are considered by the Board of the Directors of the RWS Enterprises Ltd which present a potential conflict of interest with the Free School and its Board of Trustees, the Free School appointed Directors are excluded from the discussions and decision-making process.

External review of Governance

External review of many aspects of the School's operations has been a feature since the School applied to be a Free School. Prior to opening, an external review of Governance was carried out by Barbara Harrison and an action plan developed and implemented.

The last external review was commissioned by the Board using a registered DfE contractor. COVID-19 restrictions meant it was purely a desk-based exercise. Whilst the findings of the report have been helpful to shape future strategy, the restrictions on the scope of work imposed by COVID-19, meant the Governors considered that its conclusions did not always reflect the school.

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Concurrently, a review of financial management was carried out by a School Resource Management Adviser (SRMA). SRMAs are qualified accountants with extensive experience of school financial management who provide a free service funded by the ESFA (Education Skills and Funding Agency). This is a valued service from the ESFA, principally aimed at ensuring sound financial planning and management is in place and helping schools identify potential cost reduction opportunities. We have benefitted previously from a SRMA review.

The SRMA understood the school and the issues it has faced and made constructive and useful recommendations, all of which were accepted. The SRMA was satisfied with the current accounting, reporting, cost-control and challenge.

The next external review is due to be carried out in 2023.

Training of the Board continues and there have been strategic training days this year which covered contemporary educational issues and a range of strategic opportunities for the school. Other training, focused on improved governance, has been supported by SIPS Education who also provide an expert clerking service.

Board sub-committees

The Finance, Audit and Risk Committee is a subcommittee of the main board of Governors. Its purpose is to meet at least once each half term, and more frequently as needed, with the delegated authority of the GB, to interrogate regular updates on the school's financial and budget position, ensuring tight budget control, and confirming that robust operational controls are in place and transparent at all times for all financial processes within the Free School and its Trading Subsidiary.

It reports fully to each meeting of the Governing Board on the financial health of the school, and provides strategic guidance on the financial implications and value for money of staffing, building and other resources deployed to deliver the Free School vision; accounting compliance; asset management; and audit controls and make recommendations, as appropriate for strategic action.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Neil Lloyd	6	6
Steve Bunn (Chair)	6	6
Mark Heywood	5	6
Jon Eagle	5	6
Sarah Bond-Williams	3	6

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the School delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the School's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the School has delivered improved value for money during the year by reviewing and renewing;

- Electricity contract

A tender was completed and awarded for;

- IT – fully managed service
- Premises – including Fire Risk Assessment, 5 Year EICR inspection, Play equipment inspection, Access control and Fire alarm interfaces for temporary buildings

The School has used the DFE tools available including the School Resource Management Self-Assessment Toolkit.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Free School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the School for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the Free School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Free School's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

THE ROYAL SCHOOL, WOLVERHAMPTON
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Free School's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- Regular reviews by the Finance, Audit and Risk committee (FAR) of reports which indicate Financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- Identification and management of risks

The Board of Governors has considered the need for a specific internal audit function and decided to appoint Haines Watts as internal auditor.

The internal auditor has reviewed the following areas during the year:

- Business continuity
- Data security
- Budgetary control

There were no matters of significance to report.

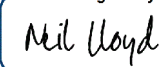
Review of effectiveness

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

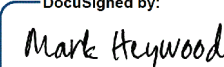
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Free School who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

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N Lloyd
Chair of Trustees
Date: 7 December 2022

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M Heywood
Accounting Officer

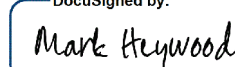
THE ROYAL SCHOOL, WOLVERHAMPTON
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Royal School, Wolverhampton I have considered my responsibility to notify the Free School Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Free School, under the funding agreement in place between the Free School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2021.

I confirm that I and the Free School Board of Governors are able to identify any material irregular or improper use of all funds by the Free School, or material non-compliance with the terms and conditions of funding under the Free School's funding agreement and the Academies Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.

DocuSigned by:

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M Heywood
Accounting Officer
Date: 7 December 2022

THE ROYAL SCHOOL, WOLVERHAMPTON
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 Group and the charitable company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charitable company 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 Group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in their conduct and operation the Group and the charitable company apply financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors and signed on its behalf by:

DocuSigned by:

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N Lloyd
Chair of Trustees
Date: 7 December 2022

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON**

Opinion

We have audited the financial statements of The Royal School, Wolverhampton (the 'parent Free School') and its subsidiaries (the 'Group') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the free School 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Free School's affairs as at 31 August 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 and the Charities Act 2011, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Free School'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.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Free School 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent Free School has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Free School 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.

Responsibilities of trustees

As explained more fully in the Statement of governors' responsibilities, the Governors (who are also the directors of the Free School 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 Free School'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 Free School or to cease operations, or have no realistic alternative but to do so.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON (CONTINUED)**

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:

Our assessment focussed on key laws and regulations the Group and its parent free school has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and its parent free school and how the Group and its parent free school are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group and its parent free school's control environment and how the Group and its parent free school have applied relevant control procedures, through discussions with Trustees and other management, consideration of the results of the internal scrutiny function and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group and its parent free school's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROYAL SCHOOL, WOLVERHAMPTON (CONTINUED)**

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

This report is made solely to the charitable Free School's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable Free School'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 Free School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Cubo Birmingham

Office 401, 4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

15 December 2022

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ROYAL SCHOOL, WOLVERHAMPTON AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Royal School, Wolverhampton during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Royal School, Wolverhampton and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Royal School, Wolverhampton and ESFA those matters we are required to state in a 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 Royal School, Wolverhampton and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Royal School, Wolverhampton's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Royal School, Wolverhampton's funding agreement with the Secretary of State for Education dated 5 July 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Free School's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ROYAL SCHOOL, WOLVERHAMPTON AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Date: 15 December 2022

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Note					
Income from:					
Donations and capital grants	3	-	-	74,801	74,801
Other trading activities	5	611,908	-	-	611,908
Charitable activities	4	452,024	8,499,265	-	8,951,289
Provision of boarding activities	29	981,427	-	-	981,427
Total income		2,045,359	8,499,265	74,801	10,619,425
Expenditure on:					
Raising funds	6	576,988	-	-	576,988
Charitable activities	6	682,562	8,071,404	286,414	9,040,380
Provision of boarding activities	6,29	957,362	-	-	957,362
Total expenditure		2,216,912	8,071,404	286,414	10,574,730
Net (expenditure)/income		(171,553)	427,861	(211,613)	44,695
Transfers between funds	17	832,218	(832,218)	-	-
Net movement in funds		660,665	(404,357)	(211,613)	44,695
Reconciliation of funds:					
Total funds brought forward		(1,185,608)	894,938	4,063,496	3,772,826
Net movement in funds		660,665	(404,357)	(211,613)	44,695
Total funds carried forward		(524,943)	490,581	3,851,883	3,817,521

THE ROYAL SCHOOL, WOLVERHAMPTON

(A company limited by guarantee)

REGISTERED NUMBER: 09250153

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,846,531	4,063,496
		3,846,531	4,063,496
Current assets			
Stocks	14	6,857	6,262
Debtors	15	338,959	277,345
Cash at bank and in hand		1,212,063	648,618
		1,557,879	932,225
Creditors: amounts falling due within one year	16	(1,586,889)	(1,222,895)
Net current liabilities		(29,010)	(290,670)
Total assets less current liabilities		3,817,521	3,772,826
Net assets excluding pension asset		3,817,521	3,772,826
Total net assets		3,817,521	3,772,826
Funds of the Free School			
Restricted funds:			
Fixed asset funds	17	3,851,883	4,063,496
Restricted income funds	17	490,581	894,938
Total restricted funds	17	4,342,464	4,958,434
Unrestricted income funds	17	(524,943)	(1,185,608)
Total funds		3,817,521	3,772,826

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 31 to 58 were approved and authorised for issue by the Governors and are signed on their behalf, by:

DocuSigned by:

 F66082720AA540F...

N Lloyd

Chair of Trustees

Date: 7 December 2022

The notes on pages 35 to 58 form part of these financial statements.

THE ROYAL SCHOOL, WOLVERHAMPTON

(A company limited by guarantee)

REGISTERED NUMBER: 09250153

**FREE SCHOOL BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,846,531	4,063,496
Investments	13	102	102
		<u>3,846,633</u>	<u>4,063,598</u>
Current assets			
Stocks	14	6,857	6,262
Debtors	15	740,623	406,308
Cash at bank and in hand		754,950	526,385
		<u>1,502,430</u>	<u>938,955</u>
Creditors: amounts falling due within one year	16	(1,520,241)	(1,183,506)
Net current liabilities		<u>(17,811)</u>	<u>(244,551)</u>
Total assets less current liabilities		<u>3,828,822</u>	<u>3,819,047</u>
Net assets excluding pension asset		<u>3,828,822</u>	<u>3,819,047</u>
Total net assets		<u><u>3,828,822</u></u>	<u><u>3,819,047</u></u>
Funds of the Free School			
Restricted funds:			
Fixed asset funds	17	3,851,883	4,063,496
Restricted income funds	17	490,581	894,938
Total restricted funds	17	<u>4,342,464</u>	<u>4,958,434</u>
Unrestricted income funds	17	<u>(513,642)</u>	<u>(1,139,387)</u>
Total funds		<u><u>3,828,822</u></u>	<u><u>3,819,047</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 31 to 58 were approved and authorised for issue by the Governors and are signed on their behalf, by:

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Chair of Trustees

Date: 7 December 2022

The notes on pages 35 to 58 form part of these financial statements.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	19	558,093	525,670
Cash flows from investing activities			
	20	5,352	(129,331)
Change in cash and cash equivalents in the year		563,445	396,339
Cash and cash equivalents at the beginning of the year		648,618	252,279
Cash and cash equivalents at the end of the year	21, 22	<u>1,212,063</u>	<u>648,618</u>

The notes on pages 35 to 58 form part of these financial statements

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Group, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Free School and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Free School 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.

1.2 Company status

The Free School is a company limited by guarantee and was incorporated in England and Wales (registered number 09250153). The address of the registered office is detailed on the reference and administration page.

1.3 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Free School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Free School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Free School's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial forecasts prepared by the senior management team project surpluses that will continue to reduce the deficit on on revenue reserves (unrestricted reserves and restricted reserves excluding fixed asset funds). The free school continues to be oversubscribed which will enable the group to operate at efficient levels of capacity and support increases in income generation as a consequence.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

All incoming resources are recognised when the Group has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Group has provided the goods or services.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

These are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.6 Taxation

The Free School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Free School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the consolidated statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long-term leasehold property	-	over the term of the lease
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line
Motor vehicles	-	10% straight line

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. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the consolidated statement of financial activities.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 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.

1.11 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.

1.12 Liabilities

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.

1.13 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Free School's wholly owned subsidiary are held at face value less any impairment.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Free School's wholly owned subsidiary are held at face value less any impairment.

1.14 Operating leases

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

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.15 Pensions

Retirement benefits to employees of the Group are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1.16 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

2. Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Critical accounting estimates and assumptions:

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

There are no critical accounting estimates and assumptions which would have a material impact on the financial statements.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Income from donations and capital grants

	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Capital Grants	74,801	74,801	28,041
<i>Total 2021</i>	<u>28,041</u>	<u>28,041</u>	

4. Funding for the Free School's Educational Activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
DfE/ESFA grants				
General Annual Grant	-	7,129,174	7,129,174	6,423,367
Other DfE/ESFA grants				
Pupil Premium	-	353,349	353,349	337,427
Teachers' Pension grant	-	17,280	17,280	313,615
Supplementary grant	-	77,519	77,519	-
DfE/ESFA grants	-	231,159	231,159	194,146
	<u>-</u>	<u>7,808,481</u>	<u>7,808,481</u>	<u>7,268,555</u>
Other Government grants				
Local Authority Grants	-	597,559	597,559	382,057
	<u>-</u>	<u>597,559</u>	<u>597,559</u>	<u>382,057</u>
Other income from the free school's educational activities	452,024	134	452,158	275,110
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	94,760
Covid Recovery Premium	-	38,715	38,715	-
School Led Tutoring Grant	-	26,730	26,730	-
Other DfE/ESFA COVID-19 funding	-	27,257	27,257	51,900
	<u>-</u>	<u>92,702</u>	<u>92,702</u>	<u>146,660</u>
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	389	389	64,711

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Free School's Educational Activities (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds £
	-	389	389	64,711
	452,024	8,499,265	8,951,289	8,137,093
	452,024	8,499,265	8,951,289	8,137,093
<i>Total 2021</i>	<u>227,633</u>	<u>7,909,460</u>	<u>8,137,093</u>	

The free school received £38,715 of COVID recovery premium funding in the year which was fully spent.

The free school also received £35,235 of School Led Tutoring funding in the year and costs incurred in respect of this funding totalled £26,730, with the remaining balance of £8,505 included in creditors as this is subject to clawback from the ESFA.

The group furloughed some of its catering, boarding and after school care staff under the government's CJRS. The funding received of £389 (2021: £64,711) relates to staff costs which are included within note 9 below as appropriate.

THE ROYAL SCHOOL, WOLVERHAMPTON
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Trading subsidiary income	611,908	611,908	292,038
<i>Total 2021</i>	<u>292,038</u>	<u>292,038</u>	

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	<i>Total 2021 £</i>
Expenditure on fundraising trading activities:					
Direct costs	408,621	44,087	124,280	576,988	314,690
Funding for educational operations:					
Direct costs	5,678,235	118,168	725,673	6,522,076	5,830,072
Support costs	1,016,008	742,084	760,212	2,518,304	2,350,403
Boarding activities:					
Direct costs	51,634	-	29,261	80,895	142,265
Allocated support costs	439,136	190,243	247,088	876,467	850,981
	<u>7,593,634</u>	<u>1,094,582</u>	<u>1,886,514</u>	<u>10,574,730</u>	<u>9,488,411</u>
<i>Total 2021</i>	<u>6,991,610</u>	<u>1,103,253</u>	<u>1,393,548</u>	<u>9,488,411</u>	

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7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational activities	6,522,076	2,518,304	9,040,380	8,180,475
<i>Total 2021</i>	<u>5,830,072</u>	<u>2,350,403</u>	<u>8,180,475</u>	

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,016,008	1,016,008	1,063,653
Depreciation	190,661	190,661	198,228
Premises costs	617,896	617,896	544,171
Other support costs	644,605	644,605	506,168
Technology costs	12,234	12,234	7,364
Governance costs	36,900	36,900	30,819
	<u>2,518,304</u>	<u>2,518,304</u>	<u>2,350,403</u>
<i>Total 2021</i>	<u>2,350,403</u>	<u>2,350,403</u>	

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	29,165	27,776
Depreciation of tangible fixed assets	286,414	316,396
Fees paid to auditor for:		
- audit	14,750	14,750
- other services	2,000	2,000
	<u>29,165</u>	<u>27,776</u>

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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2022 £	<i>Group 2021 £</i>	Free School 2022 £	<i>Free School 2021 £</i>
Wages and salaries	6,090,414	5,604,747	5,702,260	5,367,928
Social security costs	548,852	483,530	538,323	475,066
Pension costs	914,040	849,869	904,102	842,686
	7,553,306	6,938,146	7,144,685	6,685,680
Agency staff costs	40,328	53,464	40,328	53,464
	7,593,634	6,991,610	7,185,013	6,739,144

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9. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	Group 2022	<i>Group 2021</i>	Free School 2022	<i>Free School 2021</i>
	£	£	£	£
Severance payments	-	14,000	-	14,000
	-	14,000	-	14,000

b. Special staff severance payments

Included in staff restructuring costs are no non-statutory/non-contractual severance payments (2021: one payment totalling £14,000).

c. Staff numbers

The average number of persons employed by the Group and the Free School during the year was as follows:

	Group 2022	<i>Group 2021</i>	Free School 2022	<i>Free School 2021</i>
	No.	No.	No.	No.
Teachers	80	77	80	77
Administration and support	207	195	165	162
Management	9	8	9	8
	296	280	254	247

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022	<i>Group 2021</i>
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the Group comprise the Governors and the senior management team

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9. Staff (continued)

e. Key management personnel (continued)

as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Group was £832,525 (2021 - £781,048).

10. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Free School. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2022	<i>2021</i>
		£	£
M Heywood, Principal	Remuneration	105,000 -	<i>100,000 -</i>
		110,000	<i>105,000</i>
	Pension contributions paid	20,000 -	<i>20,000 -</i>
		25,000	<i>25,000</i>
	Other benefits	0 - 5,000	

During the year ended 31 August 2022, no Governor expenses have been incurred (2021 - £NIL).

11. Governors' and Officers' insurance

The Group has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on free school business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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12. Tangible fixed assets

Group and Free School

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	3,417,168	1,185,398	906,930	10,799	5,520,295
Additions	-	47,557	21,892	-	69,449
At 31 August 2022	<u>3,417,168</u>	<u>1,232,955</u>	<u>928,822</u>	<u>10,799</u>	<u>5,589,744</u>
Depreciation					
At 1 September 2021	136,684	567,948	746,767	5,400	1,456,799
Charge for the year	27,336	162,245	95,753	1,080	286,414
At 31 August 2022	<u>164,020</u>	<u>730,193</u>	<u>842,520</u>	<u>6,480</u>	<u>1,743,213</u>
Net book value					
At 31 August 2022	<u><u>3,253,148</u></u>	<u><u>502,762</u></u>	<u><u>86,302</u></u>	<u><u>4,319</u></u>	<u><u>3,846,531</u></u>
At 31 August 2021	<u><u>3,280,484</u></u>	<u><u>617,450</u></u>	<u><u>160,163</u></u>	<u><u>5,399</u></u>	<u><u>4,063,496</u></u>

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12. Tangible fixed assets (continued)

The Royal School, Wolverhampton was granted a 125 year lease in respect of the land and buildings. It is therefore considered that the building will be held by the Free School for substantially the majority of its useful life and substantially all the risks and rewards of ownership have been transferred.

13. Fixed asset investments

Free School	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2021	102
At 31 August 2022	<u>102</u>

14. Stocks

	Group 2022 £	<i>Group 2021 £</i>	Free School 2022 £	<i>Free School 2021 £</i>
Goods for resale	<u>6,857</u>	<u>6,262</u>	<u>6,857</u>	<u>6,262</u>

15. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Free School 2022 £	<i>Free School 2021 £</i>
Due within one year				
Trade debtors	114,012	90,911	98,966	87,744
Amounts owed by group undertakings	-	-	416,710	132,130
Other debtors	65,987	53,371	65,987	53,371
Prepayments and accrued income	158,960	133,063	158,960	133,063
	<u>338,959</u>	<u>277,345</u>	<u>740,623</u>	<u>406,308</u>

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16. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Free School 2022 £	<i>Free School 2021 £</i>
Trade creditors	447,387	267,617	448,299	260,483
Amounts owed to group undertakings	-	-	298	-
Other taxation and social security	127,282	114,827	124,484	113,488
Other creditors	216,152	199,617	216,144	199,617
Accruals and deferred income	796,068	640,834	731,016	609,918
	1,586,889	<i>1,222,895</i>	1,520,241	<i>1,183,506</i>
	Group 2022 £	<i>Group 2021 £</i>	Free School 2022 £	<i>Free School 2021 £</i>
Deferred income at 1 September 2021	544,391	507,658	513,474	507,658
Resources deferred during the year	595,735	544,391	530,683	513,474
Amounts released from previous periods	(544,391)	(507,658)	(513,474)	(507,658)
	595,735	<i>544,391</i>	530,683	<i>513,474</i>

At the balance sheet date the free school was holding funds of £384,955 (2021: £387,146) received in advance for boarding fees for the Autumn term 2021. Other amounts were held in respect of advanced educational grants and income held for future periods.

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17. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds	(1,141,027)	452,024	(682,562)	832,218	(539,347)
Boarding	1,640	981,427	(957,362)	-	25,705
Trading subsidiary	(46,221)	611,908	(576,988)	-	(11,301)
	<u>(1,185,608)</u>	<u>2,045,359</u>	<u>(2,216,912)</u>	<u>832,218</u>	<u>(524,943)</u>
Restricted general funds					
General Annual Grant (GAG)	894,938	7,129,174	(6,701,313)	(832,218)	490,581
Pupil Premium	-	353,349	(353,349)	-	-
Teacher Pensions grants	-	17,280	(17,280)	-	-
Supplementary grant	-	77,519	(77,519)	-	-
Other DfE/ESFA grants	-	231,159	(231,159)	-	-
Local Authority grants	-	597,559	(597,559)	-	-
COVID recovery premium	-	38,715	(38,715)	-	-
School Led Tutoring funding	-	26,730	(26,730)	-	-
Other DfE/ESFA COVID related funding	-	27,257	(27,257)	-	-
Other COVID related funding	-	389	(389)	-	-
Other restricted grants and income	-	134	(134)	-	-
	<u>894,938</u>	<u>8,499,265</u>	<u>(8,071,404)</u>	<u>(832,218)</u>	<u>490,581</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	4,063,496	-	(286,414)	69,449	3,846,531
DfE Group capital grants	-	74,801	-	(69,449)	5,352
	<u>4,063,496</u>	<u>74,801</u>	<u>(286,414)</u>	<u>-</u>	<u>3,851,883</u>
Total Restricted funds	<u>4,958,434</u>	<u>8,574,066</u>	<u>(8,357,818)</u>	<u>(832,218)</u>	<u>4,342,464</u>
Total funds	<u>3,772,826</u>	<u>10,619,425</u>	<u>(10,574,730)</u>	<u>-</u>	<u>3,817,521</u>

The specific purposes for which the funds are to be applied are as follows:

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17. Statement of funds (continued)

Restricted fixed assets were funded by government grants.

The transfer between the Restricted General Annual Grant and General funds relates to catering expenditure funded by unrestricted funds historically, for which there were specific restricted funds in the 2016-2021 period received to fund catering expenditure.

Unrestricted funds are available for use at the discretion of the Governors for the furtherance of the Free School's charitable objects.

Under the funding agreement with the Secretary of State, the Free School was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

The Free School is carrying a net deficit of £34,362 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

There is continued investment in education provision, leadership, teaching staff and the fabric of the building in support of the continuing increase in pupil numbers to date and over the next few years. The school remains significantly oversubscribed at every level. It is undergoing a major building project, affecting every teaching area. This has been delayed by 1.5 years resulting in costs that have increased beyond reasonable expectation. This delay has also restricted the commensurate revenue growth, as planned increases in classroom capacity have not taken place. The Free School is taking the following action to return these funds to surplus: budgets are being managed very tightly through the direct action of experienced governance and leadership with the deficit reducing hereafter as the school reaches optimum size and efficiency and building work reduces additional unplanned costs.

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17. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
General Funds	(782,988)	227,633	(585,672)	-	(1,141,027)
Boarding	(5,106)	999,992	(993,246)	-	1,640
Trading subsidiary	(23,569)	292,038	(314,690)	-	(46,221)
	<u>(811,663)</u>	<u>1,519,663</u>	<u>(1,893,608)</u>	<u>-</u>	<u>(1,185,608)</u>
Restricted general funds					
General Annual Grant (GAG)	424,668	6,423,367	(5,856,426)	(96,671)	894,938
Pupil Premium	(64,112)	337,427	(273,315)	-	-
Teacher Pensions grants	-	313,615	(313,615)	-	-
Supplementary grant	-	194,146	(194,146)	-	-
Other DfE/ESFA grants	-	94,760	(94,760)	-	-
Local Authority grants	-	382,057	(382,057)	-	-
COVID recovery premium	-	64,711	(64,711)	-	-
School Led Tutoring funding	-	51,900	(51,900)	-	-
Other DfE/ESFA COVID related funding	-	47,477	(47,477)	-	-
	<u>360,556</u>	<u>7,909,460</u>	<u>(7,278,407)</u>	<u>(96,671)</u>	<u>894,938</u>
Restricted fixed asset funds					
Restricted Fixed Asset Fund	3,981,062	-	(251,237)	333,671	4,063,496
DfE Group capital grants	37,118	28,041	(65,159)	-	-
Other donations	237,000	-	-	(237,000)	-
	<u>4,255,180</u>	<u>28,041</u>	<u>(316,396)</u>	<u>96,671</u>	<u>4,063,496</u>
Total Restricted funds	<u>4,615,736</u>	<u>7,937,501</u>	<u>(7,594,803)</u>	<u>-</u>	<u>4,958,434</u>
Total funds	<u><u>3,804,073</u></u>	<u><u>9,457,164</u></u>	<u><u>(9,488,411)</u></u>	<u><u>-</u></u>	<u><u>3,772,826</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	3,846,531	3,846,531
Current assets	1,061,946	490,581	5,352	1,557,879
Creditors due within one year	(1,586,889)	-	-	(1,586,889)
Total	<u>(524,943)</u>	<u>490,581</u>	<u>3,851,883</u>	<u>3,817,521</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	4,063,496	4,063,496
Fixed asset investments	(102)	102	-	-
Current assets	37,389	894,836	-	932,225
Creditors due within one year	(1,222,895)	-	-	(1,222,895)
Total	<u>(1,185,608)</u>	<u>894,938</u>	<u>4,063,496</u>	<u>3,772,826</u>

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19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year (as per statement of financial activities)	44,695	(31,247)
Adjustments for:		
Depreciation	286,414	316,396
Capital grants from DfE and other capital income	(74,801)	(28,041)
Increase in stocks	(595)	(1,674)
(Increase)/decrease in debtors	(478,324)	235,966
Increase in creditors	780,704	34,270
Net cash provided by operating activities	558,093	525,670

20. Cash flows from investing activities

	Group 2022 £	Group 2021 £
Purchase of tangible fixed assets	(69,449)	(157,372)
Capital grants from DfE Group	74,801	28,041
Net cash provided by/(used in) investing activities	5,352	(129,331)

21. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand and at bank	1,212,063	648,618
Total cash and cash equivalents	1,212,063	648,618

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	648,618	563,445	1,212,063
	<u>648,618</u>	<u>563,445</u>	<u>1,212,063</u>

23. Pension commitments

The Free School's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff (a multi-employer defined benefit schemes); and a Defined Contribution Pension Scheme for non-teaching staff.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

Contributions amounting to £110,702 were payable to the schemes at 31 August 2022 (2021 - £107,060) and are included within creditors.

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.

Valuation of the Teachers' 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

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- 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.

The employer's pension costs paid to TPS in the year amounted to £791,548 (2021 - £742,002).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

24. Operating lease commitments

At 31 August 2022 the Group and the Free School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Free School 2022 £	<i>Free School 2021 £</i>
Not later than 1 year	8,417	29,165	8,417	29,165
Later than 1 year and not later than 5 years	-	8,417	-	8,417
	<u>8,417</u>	<u>37,582</u>	<u>8,417</u>	<u>37,582</u>

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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26. Related party transactions

Owing to the nature of the Free School and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Free School's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Royal Wolverhampton School Enterprises Limited - a wholly owned subsidiary company of The Royal School, Wolverhampton. All transactions are conducted at arm's length and in accordance with the Free School's financial regulations and normal procurement procedures.

Transactions totaling £166,163 (2021: £124,713) relating to salary and occupancy costs incurred on behalf of the subsidiary were recharged to The Royal Wolverhampton School Enterprises Limited. There was an outstanding balance (net) due to the Free School at 31 August 2021 of £416,412 (2021: £132,130).

27. Agency arrangements

The Free School distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2022 the Free School received £27,823 and disbursed £24,216 from the fund. An amount of £26,713 (2021: £23,106) is included in creditors relating to undistributed funds.

28. Principal subsidiaries

The following was a subsidiary undertaking of the Free School:

Name	Company number	Class of shares	Holding	Included in consolidation
The Royal Wolverhampton School Enterprises Limited	04059224	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Royal Wolverhampton School Enterprises Limited	611,908	(576,988)	34,920	(11,301)

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29. Boarding school trading account

	2022 £	2022 £	2021 £	2021 £
Income				
Direct income				
Fee income	972,427		999,985	
Other income	9,000		7	
Total direct income	<u>981,427</u>		<u>999,992</u>	
Total income		981,427		999,992
Expenditure				
Direct expenditure				
Direct staff costs	51,634		108,632	
Other direct costs	29,261		33,633	
Total direct expenditure	<u>80,895</u>		<u>142,265</u>	
Other expenditure				
Other staff costs	439,136		396,204	
Premises costs	190,243		245,583	
Other support costs	247,088		209,194	
Total other expenditure	<u>876,467</u>		<u>850,981</u>	
Total expenditure		<u>957,362</u>		<u>993,246</u>
Surplus from all sources		24,065		6,746
Boarding school balances at 1 September 2021		1,640		(5,106)
Boarding school balances at 31 August 2022		<u><u>25,705</u></u>		<u><u>1,640</u></u>