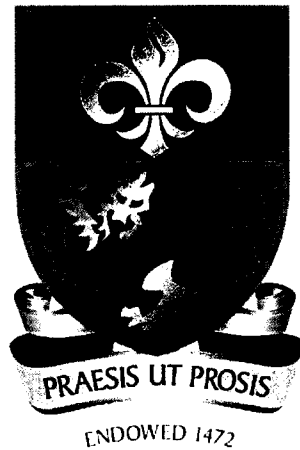


Lancaster Royal Grammar School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2021



Company Registration Number: 07469330
(England & Wales)

Lancaster Royal Grammar School

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Reference and Administrative Details

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2021. The Trustees collectively comprise the Governing Body. It is the Governing Body which holds responsibility for these accounts.

	Appointed	Resigned
Members		
Professor Martin Alexander		
Mr William Bancroft	01/04/2021	
Mr Paul Benson	01/04/2021	
Dr John Bentham		
Mr Roderick Burgess		01/09/2020
Mr Michael Burrow		
Mr Douglas Cameron		07/09/2020
Mr Matthew Dobson	01/04/2021	
Mr Peter Dyer	01/02/2021	
Mr Paul Fitton		
Mrs Deborah Garritty	01/04/2021	
Professor David Hutchinson	01/04/2021	
Mrs Ena Lund		31/03/2021
Mr Andrew Neal		31/03/2021
Dr Navita Parekh		
Mrs Wendy Preston		
Mr Howard Roberts (Chair of Governors)		
HHJ Phillip Sycamore		31/03/2021
Mr Douglas Walker		
Mr Mark Youlton	01/04/2021	
Trustees		
Professor Martin Alexander		
Mr William Bancroft		
Mr Paul Benson	01/04/2021	
Dr John Bentham		
Mrs Alison Bland		
Mr Roderick Burgess		01/09/2020
Mr Michael Burrow		
Mr Douglas Cameron		07/09/2020
Mr Hugh Castle (Staff Trustee)		
Mr Matthew Dobson	01/04/2021	
Mr Peter Dyer	01/02/2021	
Mr Paul Fitton		
Mrs Deborah Garritty	01/04/2021	
Professor David Hutchinson		
Mr Nicholas King	01/04/2021	
Mrs Ena Lund		31/03/2021
Mr Richard Mellon (Staff Trustee)		
Mr Andrew Neal		31/03/2021
Dr Navita Parekh		
Mrs Wendy Preston		
Dr Christopher Pyle (Accounting Officer)		
Mr Kevin Roberts		31/12/2020
Mr Howard Roberts (Chair of Governors)		
HHJ Phillip Sycamore		31/03/2021
Mr Graeme Thompson (Staff Trustee)		
Mrs Sarah Troughton		
Mr Douglas Walker		
Mr Andrew Whipp		
Mr Mark Youlton	01/04/2021	

Reference and Administrative Details (continued)

Company Secretary

Mr Richard Gittins

Senior Management Team

- Headteacher
- Deputy Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Director of Finance and Support Services
- Director of Finance and Support Services

Dr C Pyle
Mr M Chambers
Mr J Hallsworth
Ms S Haigh
Dr D Rowe
Mrs C Lodge (Appointed 18 December 2020)
Mr R Thomas (Retired 18 December 2020)

Company Name

Lancaster Royal Grammar School

Principal and Registered Office

East Road
Lancaster
LA1 3EF

Company Registration Number

07469330

Independent Auditor

Saint and Co
The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Bankers

Barclays Bank PLC
38 Market Street
Lancaster
LA1 1HR

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Lancaster and surrounding areas. It had a roll of 1,223 in the school census on 15 January 2021.

Principal activities

The principal activity of the Academy is to carry on a selective state-funded school, principally for boys in years 7 to 11 and from 1st September 2019 coeducational in the 6th Form, known as Lancaster Royal Grammar School (independent of Local Authority control). The Academy will provide secondary education predominantly for pupils aged 11-18 years old with a curriculum that satisfies legal requirements, that is balanced and broad. The pupils will be wholly or mainly drawn from the area in which the Academy is situated.

In addition, the Academy provides boarding accommodation to assist in its objective of providing education for its pupils.

The charge for the boarding to parents of the pupils concerned will not exceed the full cost of the Academy providing the board and lodgings.

Structure, Governance and Management**Constitution**

The Academy Trust 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 Academy Trust.

The trustees of Lancaster Royal Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company operates as Lancaster Royal Grammar School. The Trustees also make up the Governing Body of the Academy and each Trustee is a Governor of the Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

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.

Trustees' Indemnities

The Academy has purchased indemnity insurance to protect Trustees and officers of the Academy Trust from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Method of Recruitment and Appointment or Election of Trustees

The company's Articles of Association (Article 46) provide for the Trustees to be constituted as follows:

- 1 Up to 15 Trustees appointed by the Members
- 2 3 staff Trustees, if appointed by the Members
- 3 Up to 1 Local Authority (LA) Trustee if appointed by the LA
- 4 3 Parent Trustees
- 5 The Headmaster (an ex officio Trustee)
- 6 Up to 1 Co-opted Trustee appointed by the rest of the Trustees

Trustees' Report (continued)**Policies and Procedures Adopted for the Induction and Training of Trustees**

Most of the Trustees appointed would be familiar with the work of the Academy, and would be asked to join the Trustee body if it was thought they could bring skills that would enhance the Academy's operations. The training and induction provided for new Trustees would depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees will be provided with a tour of the Academy and given the opportunity to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will require to fulfil their role as a Trustee. Induction is tailored to the specific individual based on prior experience and interests.

Organisational Structure

The management structure consists of the Trustees, the senior leadership team, a complex array of middle managers and coordinators. The aim of the management structure is to devolve responsibility and encourage decision making at all levels of the Academy operations.

The Trustees are responsible for setting the overall strategic policy decisions of the Academy adopting an annual plan and budget forecasts, monitoring the results of the Academy by way of forecasts against the budgets and making the major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The senior leadership team comprising the Headteacher, 2 Deputy Headteachers, 2 Assistant Headteachers, and Director of Finance & Support Services control the Academy at a day to day level, implementing the policies that have been agreed by the Trustees and then reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the Headmaster and the Senior Leadership team is set at a meeting of the Governing Body Pay Committee. The performance of the Headmaster and Senior Leadership team is reviewed with comparison to previously set objectives when the committee makes its decision. Individuals may appeal any decision to the Governing Body Pay Appeals Committee. There were no appeals made in the year to 31st August 2021.

Trade union facility time*Relevant union officials*

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	0.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1% - 50%	
51% - 99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£6,405,463
% of total pay bill spent on facility time	0.00%

Paid trade union activities

There was no paid union activity during the period

Related Parties and other Connected Charities and Organisations

The Academy Members are also the same Members as those of the Lancaster Royal Grammar School Charity, registered number 526602. The purpose of this charity is to assist the Trustees in the running of the Academy.

Details of transactions between the two entities are included within note 25 in the financial statements.

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The Academy Trust's principal object is specifically restricted to the advance for public benefit of 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.

In accordance with the funding agreement dated 15 April 2011, made under Section 1 of the Academies Act 2010 between the Secretary of State for Education and the Academy Trust, the Academy is governed by a board of Trustees which exercises its powers and functions with a view to fulfilling a largely strategic role in the running of the school. The funding agreement specifies the admission arrangements, amongst other items, and that the curriculum, in substance, complies with the statutory requirements of Section 78 Education Act 2002.

The Academy's main strategy is to raise the standards of achievement through a continued focus on improvement of all aspects of the Academy. The core purpose of the Academy is the teaching and learning of its pupils. Resources are consistently and regularly measured by the contribution they make to the overall quality of teaching and learning, and therefore the standards that the pupils achieve.

In addition to its educational aims for its pupils, the Academy will also aim:

- to ensure that every pupil enjoys a high standard of extra-curricular opportunity and pastoral care
- to be at the heart of the Lancaster community, promoting community cohesion and sharing facilities with other schools and the wider community
- to provide for the efficient use of money and funds expended
- to continually improve the effectiveness of the Academy by keeping key aspects such as the curriculum, pastoral support and management structure under review
- to conduct the Academy's business in an open, effective manner, with the highest standards of integrity and openness.

In order to support the Academy in these aims, the Academy will evaluate, manage and maintain:

- a clear organisational structure of governance which allows staff and pupils to understand their roles in the Academy
- a review of staff performance and provision of necessary professional development
- robust quality assurance processes which are transparent and provide a basis for action plans
- appropriate structures to provide resources to support both staff and pupils in achieving their goals.

Trustees' Report (continued)

Objectives, Strategies and Activities

The main priorities of the Academy during the year ended 31st August 2021 are summarized below:

- Pupil progress achieved by promoting the highest standards of academic achievement at GCSE and A Level and through the use of data and assessment to identify and support all pupils.
- Pandemic response achieved by ensuring a covid-19 secure environment for pupils and staff, identifying pupils requiring pastoral support following school closures, the establishment of remote teaching and agreeing departmental priorities to address lost learning.
- Challenging prejudice by establishing diversity and equality groups in the school and reviewing and changing the school curriculum
- Promoting a love of reading and improving writing.

Equal opportunity policy

The Trustees understand that it is important for good practice within the workplace, that equal opportunities should exist. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Public Benefit

The Trustees have given consideration to the charity commission's general guidance on public benefit and in particular to its supplementary guidance on education. The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Trustees' Report (continued)

Strategic Report

Achievements and Performance

The academy educates approximately 1,261 pupils aged from 11 to 18, including 170 boarders and a Sixth Form of around 395 pupils. In September 2017 the academy trust increased its admission number to recruit 150 day pupils and 24 boarders into Year 7 each year. In September 2020 we reduced the 11+ pass mark for pupils eligible for the Pupil Premium in line with our historic grammar school mission of outreach and access. Our Sixth Form became coeducational for day students in 2019, and from 1st September 2020 we also welcomed our first cohort of eleven girls as Sixth Form boarders.

The school was separated into zones or bubbles for much of the year, meaning that lesson time in specialist areas such as music rooms and science laboratories was limited. Teachers provided continuous high-quality lessons to all year groups via Microsoft Teams during the period of school closure. Key workers' children and vulnerable pupils attended lessons in school throughout the closure, and one boarding house remained open.

Examinations were cancelled for the second successive year for GCSE and A-level students, and students were awarded Teacher Assessed Grades on the basis of their performance during the courses. Students received deservedly excellent results.

At A-level, students were awarded A*, A or B grades in 83.3% of all subjects. 62.3% of these were awarded A* or A grades, and 24.9% received A* grades or the Pre-U equivalent.

Those excellent results were mirrored by progression to a wide range of high-quality post-18 opportunities. It was very pleasing to support applications across the full range of Arts, Humanities and Science subjects, and to high-quality apprenticeships and degree apprenticeships. A large majority of students progressed to competitive university courses. Ten students gained places at Oxford and Cambridge, including one of our first cohort of Sixth Form girls. 72% of university acceptances were for higher tariff UCAS courses.

The most popular university destinations were Lancaster University, Newcastle University and University College London. Most popular subjects included Medicine, Economics, Engineering and Geography.

GCSE results were also very strong, and well-deserved by this cohort who experienced such disruption to both years of their studies. 70.7% of all GCSEs were graded 9 to 7. 47.5% of results were awarded grades 9 and 8, and 99.7% of all results were at grades 9 to 4. We provided remote teaching and summer work for GCSE students and external Sixth Form applicants in order to help their smooth progression to A-level courses.

The school's successes in extracurricular activities are well documented on the website www.lrgs.org.uk. Despite the national lockdown that closed the school for several months the following were particularly noteworthy:

- **Business and Enterprise:** Lancashire Company of the Year in the Young Enterprise showcase.
- **Charities:** Pupils raised £8729.86 for the following Lenten charities despite school closure in the Lent term: Team Reece, St. John's Hospice, Nishkam SWAT, Cancer Research UK, Money for Madagascar and Movember. One student raised £1230 for NHS Charities Together running challenge, and Christmas Jumper Day raised £913.30 for Save the Children. Year 7 and 8 raised around £1200 for St John's Hospice in the Reindeer Run. Pupils raised £400 following a tragic explosion in Heysham.
- **Cricket:** U13s Lancashire Cup winners, and U14 and U15 finalists. Several pupils gained county recognition including Lancashire U14 and U15 captains. One pupil represented Durham County U14s, and scored a century in the Lancashire Cup final versus Manchester Grammar School. First XI fixtures in an interrupted season included the Royal Grammar Schools' Festival, the MCC, and a Douglas Cameron memorial fixture. LRGS was named as one of the Cricket Magazine's top 100 cricketing schools.
- **Computing:** 458 Students took part in the BEBRAS Computational Thinking Challenge and 128 achieved a Distinction
- **Cycling:** Pupil placed 16th in the National Road Youth series.
- **Drama:** Four students achieved LAMDA Acting Grade 8 Gold medals with Distinction.
- **Engineering:** Two students gained prestigious Arkwright Scholarships.
- **Essay competitions:** Student won the Lancaster University Sport and Exercise Inspiring Minds essay competition. Another student was highly commended in the Cambridge University Caius Explore Essay Competition for Theology, Religion and Philosophy.

Trustees' Report (continued)

- **Football:** Student awarded North Lancashire Young Referee of the Year trophy.
- **Golf:** Youngest qualifier for the Open Regional Final at St Annes Old Links and Winner of NW Junior Open.
- **Hockey:** Student selected for the northwest team in the England Hockey Futures tournament.
- **International Intermediate Biology Olympiad:** 3 Gold, 7 Silver and 13 Bronze Awards
- **International Physics Olympiad:** 7 Gold and 4 Silver Awards. One placed in the top 15 nationally and was chosen to represent GB in Olympiad competition against other European countries where he placed 23rd overall.
- **Maths Olympiad:** Distinction and Merit.
- **Netball:** Despite the limited opportunities, netball teams competed successfully in their first competitive inter-school fixtures.
- **Parallel Histories:** Students debated with schools from the UK, Europe and North America. Sixth Form girls were involved as mentors with the Forward Assist debating programme with former service women.
- **Photography:** Student won the National Geographic photography competition focused on teenagers' wellbeing.
- **Publications:** Sixth Form student published his first book: "Britain in depression? A teenager's perspective of COVID-19's impact on the UK economy." Two students had articles published in the Geography journal Routes. A-level historians published original research on Lancaster's slave trade history, working alongside academics and Lancaster Black History Group.
- **Rugby:** Several students progressed to performance pathways and County squads despite this season's loss of normal competitions. LRGS was featured in the Rugby Paper as part of their series on "Rugby's Great Schools."
- **Running and Orienteering:** Two students were selected for the Lancashire fell running team. A former pupil was selected for to represent GB in the World Orienteering Championships.
- **Stamp Competitions:** Stamp club was a popular new addition to the school. Two Year 7 pupils won prizes in national stamp competitions.
- **Swimming:** Pupil selected for Swim England National Development Programme.
- **Table Tennis:** Pupil won Silver medal in the U19 nationals and represented England in the European Youth Championships.
- **Television:** An Old Lancastrian was part of the Warwick University team who were overall champions of University Challenge. Pupil was semi-finalist in TV cookery competition Step up to the Plate.
- **Tennis:** Cumbria U11 and U12 champion, Lancashire U14 County winner, U16 Boys Regional Semi-finalist, U18 Boys Regional finalist, national top 30 ranked player.
- **Volunteering:** Students volunteered in a wide range of settings including food banks, NHS centres and vaccination centres. Year 9 pupil was highly commended for his volunteering during lockdown in the High Sheriff's Young Citizen of the Year awards.

Trustees' Report (continued)

COVID - 19

At the start of the year pupils and teachers returned to school after the end of the first lockdown. The school operated in year group or class "bubbles" throughout the year which impacted on students' ability to access practical elements of the curriculum such as practical science lessons. It also limited the opportunities for extra-curricular activities such as clubs, trips and sports fixtures.

Additional costs of approximately £29,000 were incurred during the year on enhanced cleaning regimes and other items to maintain a COVID secure environment.

The second closure of schools, imposed by the Government in response to the COVID-19 pandemic, from 5th January 2021 had a significant impact on the provision of lessons to our pupils and led to a loss of boarding income of £425,000.

The education of the pupils continued throughout the second lockdown period with online lessons being delivered by Teachers through Microsoft Teams. Our disadvantaged students were provided with laptops to ensure that they were able to continue their education along with their peers. Pupils whose parents were classified as key workers, pupils classified as vulnerable and some boarders who were unable to return home overseas due to the closure of international borders continued to attend school throughout the lockdown.

The school was unable to generate any income from letting of the school facilities during the year due to COVID restrictions.

The school received grant funding of £67,000 from the COVID catch up fund, which has been used to pay for additional hardware to support remote learning, online revision resources and cover for teachers to allow for additional face to face time with students in break and lunchtimes.

The school also received funds for mass testing of students on the return to school in March 2021 which was used to fund a team to perform the mass testing.

The school has started the new year operating almost back to normal, however ongoing levels of infection in the population have meant that the school continues to offer hybrid remote learning to support students who are self-isolating due to testing positive for COVID.

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of Trustees 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.

Trustees' Report (continued)**Financial Review****Financial Review**

The Academy Trust's accounting period is 01 September 2020 to 31 August 2021.

The majority of the Academy's income is derived from the Education and Skills Funding Agency (ESFA) in the form of annual grants and from income in respect of boarding fees from parents of the boarders to fund the costs of running the boarding houses. These sources of income are all shown within restricted general funds in the Statement of Financial Activities.

General Annual Grant funding increased in the year by £734,119 due primarily to the increase in pupil numbers across the school. Boarding income was increased by £591,231 due to a combination of an increased number of boarders and less income lost in the second lockdown which was shorter than the first lockdown.

Teaching and educational support staff costs have increased due to the school's continued expansion.

The Lancaster Royal Grammar School Charity (Charity number 526602) gave donations totalling £110,757 (2020: £85,102). The donations were to support the school's outreach programme to local primary school, the extra-curricular programme that is run for all pupils at the school, to support the general running costs of the school and for capital projects. Friends of LRGS made donations of £4,815 (2020: £14,992) for the purchase of equipment for a number of small projects.

At 31st August 2021 the net book value of fixed assets was £33,611,402 (2020: £34,002,348) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used for providing education and the associated support services to the students of the Academy.

The decrease in debtors is primarily due to a decrease in accrued income as there was CIF funding due at the end of August 2020 which has been received during the year.

Creditors due in less than one year has increased as part of the ESFA loan (£120,000) is due within one year and there is an increase in accruals due to invoices in respect of the CIF project and other capital works that were not received by the year end in respect of work done in Summer 2021.

Key Financial Performance Indicators**Staffing costs as a % of total income (excluding capital income)**

	2020	2021
Teaching staff	55.3%	54.1%
Support staff	22.2%	21.6%
Total	77.5%	75.7%

Teaching Staff

	2020	2021
Pupils on roll	1149	1222
Full time equivalents teachers	66.5	66.0
Pupil teacher ratio	17.3	18.5

Trustees' Report (continued)**Reserves Policy**

The Trustees review the level of reserves in the Academy annually. This includes a review of all the expected income and expenditure streams, the need to match income with commitments and the nature of the reserves. The reserves on the General Annual Grant (GAG) fund are dictated by the Education Skills Funding Agency (ESFA) rules on carry forward, and it is the Academy's aim to stay within the 2% unrestricted carry forward.

The level of reserves remains significantly below the level the trustees would like to operate with. It is the intention to increase the amount held in reserves over the coming years but given significant cost pressures and further reductions in funding this remains a long term ambition.

Funds in Deficit

The General Annual Grant fund is in deficit at the year end totalling £2,021,508. Over the course of the year this has reduced by £59,446. The academy trust has agreed a 5 year plan to return the position to surplus with the ESFA as part of the repayment of the loan of £599,000 with ESFA.

The Trust holds a deficit on the local government pension scheme of £3,595,000. In the event of the closure of Lancaster Royal Grammar School, this deficit would be met by the DfE.

The deficit position of the pension scheme will result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years

Investment Policy

Apart from the cash held for the operation of the Academy, Lancaster Royal Grammar School has no material investments. With respect to its cash holdings the Trustees have adopted a low risk strategy.

Principal Risks and Uncertainties

Risks are prioritised using a consistent scoring system and are reviewed at all Governors' meetings. Plans to mitigate against these risks is then managed by the Academy. The material risks that have been identified are shown in the section below.

The principal risks and uncertainties of the Academy are:

- the uncertainty of boarding revenues from year to year
- the non-payment of boarding fees by parents
- the availability of sufficient educational funding when reserves have been exhausted
- reductions in 6th Form and other ESFA funding
- financial impact of expanding when funding is based on the previous year's census of pupil numbers.
- unexpected expenditure leading to a significant year end deficit
- the ability to meet the repayment schedule imposed by ESFA for the emergency loan given to cover lost boarding revenue in an environment when future ESFA funding and salary costs are far from certain
- significant increases in the cost of utilities
- unfunded pay increases for teachers and support staff
- the deficit on the Local Government Pension Scheme
- the increasing maintenance requirements of the property estate some of which is in a very poor state of repair
- the uncertainty of how to fund improvements in the academy's boarding provision

The risks resulting from the COVID-19 pandemic include:

- Potential impact of any further lockdowns on boarding income
- Potential impact on pupils taking GCSE and A-Level exams in 2022 due to lost learning during the national lockdowns
- Disruption to pupils and staff who need to self-isolate following positive tests for COVID
- Uncertainty about the form that GCSE and A-Level examinations will take in 2022 and the impact
- Increased pastoral support for students and staff as a result of the impact of COVID on mental health
- Increased costs associated with continuing to maintain a COVID secure environment
- Loss of income from the letting of school facilities to local community groups and clubs if there are further lockdowns

Trustees' Report (continued)**Financial and Risk Management Objectives and Policies**

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the curriculum, political, operational, financial, personnel, governance, technological and school expansion risks. The Trustees are satisfied that systems and procedures are in place to mitigate exposure to major risks.

Principal Funding Sources

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes. In addition the Trust receives income in the form of boarding fees from parents, which cover the costs of pupils boarding at the Academy.

Fundraising

Fundraising for the school is managed through the Lancaster Royal Grammar School Charity. We seek voluntary donations from Parents of our pupils and from our alumni known as Old Lancastrians. The management of fundraising is performed by employees of the school and overseen by the Headmaster and the Director of Finance & Support Services. The fundraising is monitored by the Trustees of the Charity and any complaints should be directed to the Chair of the Charity Trustees. We are also supported by The Friends of LRGS which is principally a parents' organisation which supports the school through various social and fundraising activities.

Plans for Future Periods

Since September 2017 the school has started an expansion programme with the addition of a new form in Year 7. The additional forms have now reached year 11 and the school will reach full capacity in the year 2023/2024. The funding for the expanded number of pupils on the roll is lagged by one year. The school has changed its admissions policy to admit girls to the sixth form with effect from September 2019 and into boarding in September 2020. As at September 2021, the school had 65 girls in the sixth form, 15 of whom were boarders.

The Academy as part of its agreement with the ESFA to repay the loan of £599,000 over a period of 5 years, has reforecast its income and expenditure over the next 5 years taking into account the expansion programme and a review of the trusts cost base. The purpose of the plan is to repay the loan but also to return the school's reserves to a cumulative surplus. Repayment of the loan and the school's performance against the plan will be monitored by ESFA over the period.

There is an urgent need to upgrade the fabric of some of our school and boarding facilities. This is dependent on successful bids for an allocation from the ESFA Condition Improvement Fund. However, success in winning these bids is becoming more difficult, rendering some of the sports facilities unusable. This has an adverse effect on the delivery of physical education to our pupils and reduces our ability to hire facilities to external community groups. There is now an expectation that the academy will provide an injection of funds from its own resources or for it to use Salix loans for energy projects. The academy will however continue to submit bids for funding from the Condition Improvement Fund for projects that will ensure that the school's estate is fit for purpose.

Trustees' Report (continued)

Funds Held on Behalf of Others

The academy trust acts as a intermediary for the 16-19 Bursary fund, but has no responsibility, the trust distributes the funds to students as an agent for the ESFA.

The academy trust acts as a intermediary for two projects under the Erasmus programme. Funds are received from the British Council and the academy trust does not have control over the distribution of the grant in its role as coordinator.

Auditor

Saint & Co have indicated its willingness to continue in office, and a resolution to appoint them will be proposed at the annual general meeting.

Statement as to disclosure of information to auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware: and
- the 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 members of the board of trustees and signed on its behalf by:



Mr Howard Roberts
Chair of Trustees

14/12/2021

Date

Governance Statement**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Lancaster Royal Grammar School 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 Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, who is the 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 Lancaster Royal Grammar School and the Secretary of State for Education.

They are also responsible for reporting to the Board of Trustees 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 Trustees has formally met four times during the year. Meetings were attended by 86% of eligible Trustees.

The finance committee is a sub-committee of the main board of Trustees and is chaired by a qualified and experienced accountant. Its purpose is to assist the decision making process of the Academy's governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources. Five meetings were held during the year. These were attended by 85% of eligible committee members.

The audit and risk committee is a sub-committee of the main board of Trustees. Its purpose is to review the effectiveness of the Academy's corporate governance arrangements, risk management and systems for internal control. Its remit covers all significant risks to the Academy, both financial and reputational. The committee receives reports directly from the external auditors and Responsible Officer. Five meetings were held during the year. These were attended by 92% of eligible committee members.

The properties committee is a sub-committee of the main board of Trustees. Its purpose is to review the management, upkeep and development of the estate and to review health and safety policies and practice throughout the school for the benefit of all students, staff and visitors. Two meetings were held during the year. These were attended by 86% of eligible committee members.

The HR and Welfare committee is a sub-committee of the main body of Trustees. Its purpose is to review issues concerning the development, well-being and compliance with the human resource policies as they affect all employees at the Academy. It also has responsibility for the monitoring of child protection and safeguarding. Two meetings were held during the year. These were attended by 75% of eligible committee members.

The pay committee is a sub-committee of the main body of Trustees. It is responsible for approving variations in the remuneration of all employees of the Academy. One meeting was held during the year. This was attended by 100% of eligible committee members.

The curriculum committee is a sub-committee of the main body of Trustees. It is responsible for monitoring the effectiveness of the delivery of the education to the students in the Academy and of the provision of services to boarders. Three meetings were held during the year. These were attended by 89% of eligible committee members.

In addition to the meetings of the Board and sub-committees, the trustees maintain effective oversight of funds through receipt of monthly management information and regular meetings between the Chairman and the headmaster.