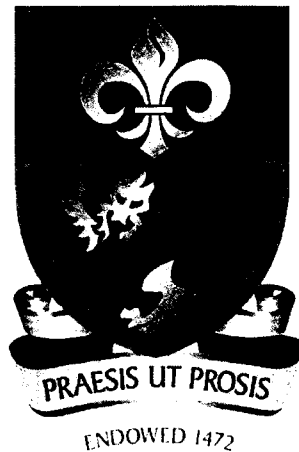


Lancaster Royal Grammar School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2022



Company Registration Number: 07469330
(England & Wales)

Lancaster Royal Grammar School

Contents	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	14
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22
Independent Reporting Accountant's Report on Regularity	26
Statement of Financial Activities incorporating Income & Expenditure Account	28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	31
Other Notes to the Financial Statements	38

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 2022. 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		
Mr Paul Benson		
Dr John Bentham		11/12/2021
Mr Michael Burrow		26/03/2022
Mr Matthew Dobson		
Mr Peter Dyer		
Mr Paul Fitton		30/09/2022
Mrs Deborah Garritty		
Professor David Hutchinson		10/06/2022
Dr Navita Parekh		
Mrs Wendy Preston		
Mr Howard Roberts (Chair of Governors)		
Mr Douglas Walker		
Mr Mark Youlton		
Trustees		
Professor Martin Alexander		
Mr William Bancroft		
Mr Paul Benson		
Dr John Bentham		11/12/2021
Mrs Alison Bland		
Mr Michael Burrow		26/03/2022
Mr Hugh Castle		31/08/2022
Mr Matthew Dobson		
Mr Peter Dyer		
Mr Paul Fitton		30/09/2022
Mrs Deborah Garritty		
Professor David Hutchinson		10/06/2022
Mr Nicholas King		
Mr Richard Mellon		31/08/2022
Dr Navita Parekh		
Mrs Wendy Preston		
Dr Christopher Pyle (Accounting Officer)		
Mr Howard Roberts (Chair of Governors)		
Mr Graeme Thompson		31/08/2022
Mrs Sarah Troughton		08/03/2022
Mr Douglas Walker		
Mr Andrew Whipp		
Mr Ian Whitehouse	01/09/2022	
Mr Mark Youlton		

Reference and Administrative Details (continued)

Company Secretary	Mr Richard Gittins	
Senior Management Team		
• Headteacher	Dr C Pyle	
• Deputy Headteacher	Mr M Chambers	31/08/2022
• Deputy Headteacher	Mr J Hallsworth	
• Deputy Headteacher	Ms S Haigh	01/09/2022
• Assistant Headteacher	Dr D Rowe	
• Assistant Headteacher	Mr R Mellon	01/09/2022
• Assistant Headteacher	Mr A Martin	01/09/2022
• Director of Finance and Support Services	Mrs C Lodge	
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 2021 to 31 August 2022. 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 1,260 in the school census on 15 January 2022.

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. An additional Assistant Head was appointed 1 September 2022.

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 2022.

Trade union facility time*Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£6,650,773
% 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

Three of the Academy Members are also Trustees 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 2022 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 identifying pupils requiring pastoral support , agreeing departmental priorities to address lost learning, and ensuring that the extra-curricular life of the school flourishes in all areas.
- 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 1263 pupils aged from 11 to 18, including 170 boarders and a Sixth Form of around 407 pupils. In September 2017 the academy trust increased its admission number to recruit 150 day pupils and 24 boarders into Year 7 each year; from September 2022 the Year 7 day admission number is increasing to 156. 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.

This commitment to access and social inclusion is also supported by generous donor funding for InspirUS, our primary school outreach and masterclass programme, and for financial assistance funds. The Lune Scholarship and Opportunities Fund help pupils from all backgrounds to take part in the fullest range of school activities.

Our Sixth Form has been coeducational since 2019, and we welcome both girls and boys as day and boarding students from a wide range of schools from Lancashire and Cumbria, from across England and from overseas.

This summer marked a return to full in-person examinations for the first time since 2019.

At A-level, students from our largest ever Sixth Form year group achieved outstanding results. Almost a third of grades were A* (32.8%), and 62.9% were A* or A grades – both record-breaking figures for the school. Over three-quarters of grades were B or above (76.9%), which is also a higher figure than headlines achieved in 2019.

These 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. Fourteen students achieved offers from Oxford and Cambridge, and a large majority of students progressed to competitive university courses.

GCSE results were also very strong and well-deserved by this cohort who experienced such disruption especially in Year 9 and Year 10. Almost two-thirds (63.2%) of all exams were graded 9 to 7, 41% were grade 8 or 9 (the old A* grades) and 22% gained the very top grade 9s. Twelve pupils achieved Grade 9 in eight or more subjects. The Progress 8 score was a pleasing +0.54.

The school's successes in extracurricular activities are well-documented on the website www.lrgs.org.uk. 2021-22 was a year marked by a very strong return towards a full range of activities and opportunities out of the classroom. The following achievements were particularly noteworthy:

- **Art:** Ten students' work was exhibited in the Kurt Schwitters Merz Barn in Cumbria in August, and work from pupils, alumni, staff and friends was displayed in Art Exhibitions in school.
- **Business and Enterprise:** Students were finalists in the LUMS 100-day Enterprise Challenge. The school was accepted onto the prestigious Young Enterprise Centre of Excellence in Finance Education scheme. One student was named as Lancashire Business View as one of the region's outstanding young leaders.
- **Chemistry:** RSC Chemistry Olympiad - Two gold, six silver, two bronze awards; Cambridge Chemistry Challenge – five Gold awards; RSC Schools Analyst Competition - North West Regional Winners.
- **Charities:** This was an outstanding year of charity fundraising. The total raised was over £34,0000 – the highest total that the school has raised in one year. Form 9L raised £2500, and a virtual "Run to Kiev" organised raised £4102. Lenten Charities supported Team Reece, Papyrus, St John's Hospice, Cancer Research, ActionAid UK Zimbabwe, Money for Madagascar, and the DEC Ukraine appeal. Storey House boarders completed 120,000 press ups for Movember.
- **Cricket:** The 1st XI recorded memorable victories over the MCC and Sedbergh School. They won all five fixtures in the national RGS Festival as they claimed the Festival Trophy for the 3rd time in four years, with one player named RGS Player of the Festival. Several junior sides made the Lancashire Cup Finals. One player represented the North of England. LRGS was named as one of Cricketer Magazine's top 100 schools.
- **CCF:** We have record numbers of cadets from LRGS and the Girls' Grammar School. Two cadets passed the CCF Army Master Cadet course, two received Lord Lieutenant's Certificates for Meritorious Service, and one was awarded an Army Internship with the Royal Gurkha Rifles. A group of cadets completed the National Three Peaks, and two completed the feat in 24 hours.

Trustees' Report (continued)

- **Curling:** A pupil was selected for the England Junior Curling team.
- **Cycling:** A Year 11 pupil representing LRGS won the Over 15's British Schools Cycling Association National Circuit Championships.
- **Drama:** Notable performances included Strolling with Shakespeare at Lancaster Castle. For the first time, all students who studied for LAMDA qualifications received a Distinction at Silver and Gold Medal level.
- **Design and Technology:** The L6 product design class designed and manufactured all the mounts for a public exhibition of Roman artefacts at Tullie House museum, Carlisle. Three students were awarded Arkwright Engineering scholarships.
- **Football:** First XI footballers won the North-West schools football league.
- **Golf:** A student became Lancashire champion.
- **History:** Parallel Histories projects included over 40 digital debates with UK and overseas schools. Girls acted as mentors for women from the MOD as part of Forward Assist. Students worked with Lancaster Black History group to research Lancaster's slave trading past, presenting findings at an international conference at Lancaster University and at Lancaster's City Museum.
- **Biology Olympiads:** International Intermediate Biology Olympiad – Three gold, six silver, 9 bronze awards; British Biology Olympiad – six Gold awards.
- **International Physics Olympiad:** One of the students who gained a Gold award was selected for the British Physics Olympiad Training Camp.
- **Mathematics:** Junior Maths challenge – 48 gold certificates; Junior Maths Olympiad - Distinction and 4 Merits; Intermediate Maths Challenge – 9 Gold Certificates; Senior Maths Challenge – 14 Gold certificates; Senior Kangaroo – 2 Merit certificates.
- **Modern pentathlon:** A Sixth Form student won the U19 Laser Run world championships.
- **Netball:** An active fixture list included two teams who took part in the Netball National Cup for the first time.
- **Quiz:** Junior and senior quiz teams both became north-west champions.
- **Rowing:** Amongst excellent results, the Year 11 quad were unbeaten in the North West and were selected to represent the North West Region at the Inter Regional Regatta. At the National Schools Regatta they came 9th and were the 4th fastest school quad.
- **Royal visit:** Our musicians performed for the visit of the Earl and Countess of Wessex to Lancaster Castle, and another pupil was part of the Honour Guard.
- **Rugby:** Teams enjoyed considerable success across the full age group of the school. Amongst other achievements U12s won the Lancashire Festival, U15s reached the semi-final of the national NatWest cup, and the First XV won the Lancashire Cup. Girls' rugby is popular and has grown in strength this year. A number of students gained selection for county teams and club academic pathways. Two students were selected for the U18 North of England squad.
- **Running and orienteering:** Athletics teams won silver or gold in all age groups in District Championships; a student was selected for the NW Team for the London Mini-marathon; our Sixth Form team became British Orienteering Champions.
- **Sailing:** A Year 7 pupil became North of England RYA sailing champion; a Sixth Former sailed CCF Yacht Bellerophon from New Port to Oban.
- **Sixth Form conference:** Students organised a major inter-school conference at the University of Cumbria with themes of "Action against Discrimination".
- **Stamp Competitions:** A student won the Chinese Language stamp competition, and another came second in the StampIT around the world competition.
- **Swimming:** A student was second in three events at the Welsh national swimming meet.
- **Table tennis:** A student represented England teams with success at several international competitions, and rose to the top 50 in the world rankings.
- **Tennis:** Two pupils were county champions, and one student won a regional competition to qualify to play at Wimbledon.
- **Visitor Sunshine Awards:** A Year 7 pupil won the Young Achiever of the Year Award. He overcame significant challenges to pass GCSE Maths with a grade 9 and raised over £4000 for NHS Charities Together.

Trustees' Report (continued)

COVID - 19

The school started the 2021/2022 operating almost back to normal, however ongoing levels of infection in the population meant that the school has continued to offer hybrid remote learning to support students who are self-isolating due to testing positive for COVID during 2021/2022.

The school has been able to re-establish its extra-curricular programme and following the lifting of all covid restrictions was also able to undertake school trips in the UK and since the start of the new Academic year 2022/2023 also overseas.

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 2021 to 31 August 2022.

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 £615,824 due primarily to the increase in pupil numbers across the school. Boarding income was increased by £486,449 due no income lost through enforced closures.

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 £77,688 (2021: £110,757). The donations were to support the schools outreach programme to local primary schools and the extra-curricular programme that is run for all pupils at the school. Friends of LRGS made donations of £4,964 (2021: £4,815) for the purchase of equipment for a number of small projects.

At 31st August 2022 the net book value of fixed assets was £33,340,467 (2021: £33,611,402) 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 and other funding due at the end of August 2021 which has been received during the year together with a decrease on the amount owed to the Academy by Lancaster Royal Grammar School Charity.

Creditors due in less than one year have decreased due to a reduction in the amount owed back to the DfE in respect of the Maths Hub and a reduction in funds to be distributed to Erasmus Partner schools from the British Council.

The cash position of the school has improved due to the cash surplus from financial activities in the year.

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

	2021	2022
Teaching staff	54.1%	45.4%
Support staff	21.6%	21.0%
Total	75.7%	66.4%

Teaching Staff

	2021	2022
Pupils on roll	1222	1260
Full time equivalents teachers	65.96	71.1
Pupil teacher ratio	18.5	17.7

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 £1,806,718. Over the course of the year this has reduced by £214,790. 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 £788,000. 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:

- 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

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 Trust has started an expansion programme with the addition of a new form in Year 7. The additional forms have now reached year 12 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 2022, the school had 74 girls in the sixth form, 17 of whom were boarders.

The Trust continues to review the breadth of its curriculum provision and has introduced politics at A Level from September 2022.

The Trust 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 above 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.

The Trust has been actively managing its Estate Strategy over the last few years as there is an urgent need to upgrade the fabric of some of our school and boarding facilities. Part of the strategy is to 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. In addition, the Trust is actively considering the redevelopment of part of the School site and the provision of new facilities and how to fund such a redevelopment.

At the request of the ESFA, the Trust undertook a consultation into the possibility of joining a Multi-Academy Trust in 2021. The decision of the trustees taken at that time is to remain as a Single Academy Trust but to keep the possibility of joining or forming a MAT under review. In light of the Government White Paper published in March 2022 and its stated aim that all schools will be part of a MAT or have plans to join or form one by 2030, the Trust has had preliminary discussions with Trusts of a similar nature about the future options.

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

9/12/2022

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 three times during the year. Meetings were attended by 68% 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. Three meetings were held during the year. These were attended by 67% 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. Three meetings were held during the year. These were attended by 64% 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. Three meetings were held during the year. These were attended by 75% 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 84% 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 86% of eligible committee members.