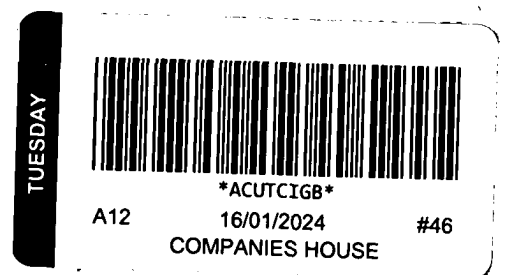


Lancaster Girls' Grammar School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2023



Lancaster Girls' Grammar School
Annual Report and Financial Statements
Year Ended 31st August 2023

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Lancaster Girls' Grammar School

Reference and Administrative Details

Year Ended 31st August 2023

| | |
|---------------------------------|--|
| Members | Mrs S Bain Mrs S Hodgson Mrs A Norfolk Mrs J Wilkinson |
| Trustees | Mrs S Bain (Chair of Trustees) Mr C Beard (Head Teacher & Accounting Officer) (appointed 17 th April 2023) Mrs J Cahalin (Head Teacher & Accounting Officer) (resigned 16 th April 2023) Mrs S Hodgson (resigned 6 th July 2023) Mrs A King Mrs A Morgan (resigned 21 st November 2022) Dr A Palmer (resigned 21 st November 2022) Mrs S Randall-Paley Mrs G Rawlinson Mrs L Sharples (resigned 14 th July 2023) Mrs S Shepherd (appointed 7 th November 2022) Mrs J Stables (resigned 23 rd March 2023) Mr R Taylor (resigned 22 th June 2023) Mr A Timol Dr M To (appointed 7 th November 2022) Mrs A Whittaker |
| Secretary | Ms C Gillies |
| Senior Leadership Team | Mrs J Cahalin (Head Teacher) (resigned 16 th April 2023) Mr C Beard (Head Teacher) (appointed 17 th April 2023) Miss S Bellin (Deputy Head) Mr D Green (Assistant Head) Mrs S Hutchinson (Assistant Head) Mrs J Pardoe (Assistant Head) Ms A Wilcock (Associate Assistant Head) (appointed 1 st September 2023) Ms E Houlihan (Associate Assistant Head) (appointed 1 st September 2023) Ms C Gillies (Finance & Resources Manager) |
| Principal and Registered Office | Regent Street Lancaster LA1 1SF |
| Company Registration Number | 07441463 |

Lancaster Girls' Grammar School

Reference and Administrative Details

Year Ended 31st August 2023

Independent Auditor CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Bankers Lloyds Bank
PO Box 1000
Andover
BX1 1LT

Solicitors Lancaster Legal Services
County Hall
Preston
PR1 0LD

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from the 1st September 2022 to 31st August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The Trust operates an Academy for students aged 11 to 18 serving a catchment area from where the Academy is situated. It has a pupil capacity of 1065 and had a roll of 1006 on January 19th 2023.

1. Structure, Governance and Management

1.1 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 Girls' Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Lancaster Girls' Grammar School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

1.2 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.

1.3 Trustees' Indemnities

In accordance with normal company practice, the Academy has purchased insurance to protect Trustees and Officers for claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £5,000,000 on any one claim (see note 10).

1.4 Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall not be less than three but shall not be subject to any maximum.

The Members may appoint Staff Trustees through such process as they may determine, providing the total number of Trustees (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

The Headteacher shall be treated for all purposes as being an ex officio Trustee.

The Parent Trustees shall be elected by parents of registered pupils at the Academy. Where a vacancy for a Parent Trustee is required to be filled by election the Board of Trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at that election, and given an opportunity to do so.

The Trustees may appoint up to three Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees.

1.5 Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are given an introductory pack on appointment with information about the membership of the various committees. The Academy is a member of the National Governors Association (NGA), which can support and advise any Trustee in school. The school subscribes to GEL (Governors E-Learning), which allows Trustees to access online training modules. There is also an online documents site for Trustees where they can find all the relevant LGGS documentation and other useful resources. Full Trustees and Committee Meetings are also used to provide updates for Trustees on key governance issues e.g., safeguarding, attendance, Ofsted framework and wellbeing.

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

1.6 Organisational Structure

The management structure in place for the year 2022/23 consisted of a Headteacher, one Deputy Headteacher, three Assistant Headteachers, two Associate Assistant Headteachers, and the Finance and Resources Manager. These posts constituted the Academy's Senior Leadership Team (SLT).

The Senior Leadership Team of the Academy is responsible for the day-to-day management of the school, for acting on the strategic decisions taken from the Board of Trustees and sub-committees, and ensuring a School Improvement Plan is set out, monitored, and carried out successfully.

1.7 Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay decisions are made by the Pay Policy/ Strategy Committee of the Governing Body, which meets at least once a year. The Pay Policy is reviewed annually. Pay of key management personnel is reviewed annually in line with the school's pay policy and by reference to published pay scales for both teaching and support staff. The school follows the School Teachers' Pay and Conditions Document and the school's Pay Policy in setting parameters for determining pay scales. Pay increments are awarded where the salary review shows sustained high-quality performance in respect of school leadership and management and pupil progress were measured against performance objectives set

1.8 Related Parties and Other Connected Charities and Organisations

Connected to the Academy is an entity called Lancaster Girls' Grammar School Fund, a charity registered with the Charity Commission whose charity number is 1142061. The objects of this Charity are to assist the furtherance and advancement of the education of the students who attend Lancaster Girls' Grammar School.

The Trustees of the Charity will continue to make donations to the Academy for specific purposes as money is raised within the Charity through fundraising activities.

2. Objectives and Activities

2.1 Objects and Aims

The Academy Trust's object is to advance, for the public benefit, education in the United Kingdom, 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 (from Articles of Association).

2.2 Objectives, Strategies and Activities

In accordance with the Funding Agreement dated 1st January 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 the 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 of the Education Act 2002.

The Academy's main objective is to provide the highest quality education that meets the needs of able girls. Our vision is for a school in which all students are supported and challenged as they grow in knowledge and confidence; enabling them to reach their full academic and personal potential. We are dedicated to preparing our pupils and students for success and fulfilment in their futures as resilient, happy, and responsible young women, who will make a positive contribution to society.

Our core values are:

Care

At LGGS we value pastoral care highly and our emphasis on health and wellbeing is often seen as a strength of the school by students and parents. Caring for others and for our community and environment are important features of LGGS life for both staff and students. Our family ethos is combined with an outward looking approach and strong international links.

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

Contribute

We believe in the importance of everyone contributing to the school community. In lessons this means working collaboratively.

Contributing to school life is an important part of the LGGS ethos, whether this be musical, sporting, artistic or through any of the other opportunities. On a larger scale we aim to contribute positively to our local community as well as encouraging fundraising and projects on global issues.

Challenge

As an academic school we expect staff to challenge students in their learning and for students to be open to this challenge. This means developing skills of resilience and accepting that success may not always come easily. It is also about rewarding effort as much as success. As a school we want to be challenged and continuously improve so that we continue to provide a very high standard of education.

The Academy's main strategy is to raise 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 and their wellbeing. Resources are consistently measured by their contribution to the overall quality of teaching, learning and wellbeing support, which can be assessed by the very high standards by which the pupils achieve.

The main strategies and activities of the Academy during the period ended 31st August 2023 are summarised below.

Quality of Education

1. To continually review curriculum provision, using assessment results where relevant to inform planning and address any gaps in student knowledge.
2. To ensure that the curriculum and the resources used reflect diversity and equality
3. To ensure that the curriculum and its implementation meets the needs of all our students, putting in place additional support and challenge when needed
4. To provide timely and useful identification and strategies for students with special educational needs/disabilities.
5. To continue to develop students' literacy skills through effective strategies, including the promotion of reading and support for those students who struggle with reading.
6. To share good practice and further development in the use of the 1:1 device in teaching, learning and assessment
7. To implement the new "Approaches to Learning" framework throughout the school and student tracking in Year 7.
8. To further develop and update teachers' subject knowledge through CPD and collaboration

Personal Development

1. Implement new posts of Pastoral Year Leaders to ensure we are always providing the best possible pastoral care and that students are effectively supported in school
2. Develop strategies for improving parental engagement and support for families including through the effective use of Early Help Plans.
3. Implement new Personal Development Curriculum bringing together Citizenship and RSHE. Strengthen parental engagement with this area and seek more student feedback
4. Investigate more opportunities for students to encounter the world of work, particularly in Year 10 and Year 12.
5. Introduce new leadership programmes in school to allow students to actively support the well-being of others
6. Ensure that leaders prioritise well-being and workload issues and provide staff with support and training to enable them to perform at their very best.

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

Behaviour and Attitudes

1. Implement new Attendance procedures. Aim to establish attendance at pre Covid levels
2. Further develop consistency of approach in terms of behaviour both in and out of the classroom
3. Build on our existing extra-curricular experiences to provide a wide set of opportunities and experiences for all students across the curriculum

Leadership and Management

1. Introduce more opportunities for parents to engage positively in school life and further improve communication
2. Investigate the White Paper opportunities and develop a strategy regarding Multi Academy Trust.
3. Ensure that our Condition Improvement Fund projects deliver on time and within budget
4. Continue to develop opportunities for staff to shadow and develop experience in school as well as supporting them with the NPQ programmes.
5. Maintain healthy sixth form recruitment
6. Manage the school's budget in the light of financial uncertainties.

2.3 Public Benefit

In setting the objectives and planning the Academy's activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The key public benefit delivered by the Trust is the provision of a high quality of education to its students. The attainment and achievement at KS4 are well above national averages. A very large majority of Year 11 students stay on to study A levels at LGGS. The sixth form also attracts students new to the school. Attainment at A level is also well above national averages with the vast majority of students progressing onto Higher Education.

The school also offers exceptional opportunities for personal as well as academic success. The wide-ranging programme of extracurricular opportunities and extensive range of extracurricular trips and visits show excellent participation rates.

3. Strategic report

3.1 Achievements and Performance

At GCSE 64% of grades were at grades 7 to 9. Progress 8 is at +0.54, well above average.
At LGGS 74 % of grades were at A*-B and just over 41% at A*-A

Our headline figures were

| GCSE | 2022 | 2019 |
|---------------------------|-------|-------|
| Total Point Score | 71.59 | 75.19 |
| Progress 8 | 0.54 | 0.55 |
| EBacc pass | 65% | 85% |
| Grades 7+ | 63.9% | 75.6% |
| EBacc Average Point Score | 6.66 | 7.21 |

| A level | 2022 | 2019 |
|---------------------|--------|--------|
| Total point score | 128.07 | 136.39 |
| Average point score | 41.76 | 44.85 |
| Average grade | B+ | B+ |
| L3VA | NA | -0.03 |
| A* | 16.7% | 20.1% |
| A*-B | 74% | 78% |

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

68% of Year 11 pupils stayed at LGGGS for their A level education. There were 45 leavers from Year 11 in 2023, who have gone onto college or school-based courses. 40 students from other schools joined our sixth form.

We remain as ever so impressed by the breadth of pathways LGGGS students have had the confidence to pursue. Sixteen students secured Medicine places and two Dentistry despite the extremely competitive environment. History, Biological Sciences, Law, and Mathematics were also popular course choices. Our most popular university choices were Lancaster, Manchester, and Cambridge. Nine students accepted places at Oxford or Cambridge.

3.2 Key Performance Indicators

The Academy monitors its performance on examination results achieved and Ofsted reports received. It complies with all the terms and conditions of its funding agreement with the ESFA and manages its reserves in line with the policies set out below.

3.3 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, 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 Accounting Policies note of the financial statements (note 1).

4. Financial Review

4.1 Operating and Financial Review

The academy complies with the terms and conditions of the funding agreement. The level of General Annual Grant (GAG) surplus at 31st August 2023 is £425,000 (2022- £423,000).

The financial statements reflect a 12-month accounting period of operation as an Academy Trust. Most of the income received is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent GAG funding, the use of which is restricted for the day to day running of the Academy Trust. Total grants received from the ESFA are set out in the statement of financial activities.

During the year ended 31st August 2023, total expenditure of £6,005,000 (2022 - £5,721,000) (before depreciation) was more than covered by grant funding from the ESFA together with the academy's brought forward reserves.

The trustees are pleased to note that the deficit that the Local Government Pension Scheme, has been posting for several years as now in surplus.

4.2 Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £400,000. The reason for this is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £739,000 (2022 - £743,000).

4.3 Investment Policy

The Academy follows an Investment Policy for investing any surplus balances, which are agreed by the Finance and Audit Committee. Investment is currently with the same financial institution with which the bank account is held.

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

4.4 Principal Risks and Uncertainties

Educational

Maintaining standards and improving the quality of teaching, learning and assessment remain a key school priority, while maintaining a balance with staff and student wellbeing. We will be ensuring a clear focus on the quality of education, which includes the school's curriculum, teaching, learning and assessment despite the more challenging financial situation.

Cyber security attacks

There continues to be an increasing number of ransomware attacks targeting schools. There is the risk that a school must close completely in the event of an attack. Finance records, personal data and student work could be lost. The school will continue to implement its risk management strategy and seek external advice.

Financial risks

The funding of pay and pension increases plus rising costs makes accurate budget planning difficult.

Buildings

There continues to be pressure on specialist areas of accommodation, notably PE. We have completed works to improve our heating and work to our windows continues. Other areas of the building still require works.

Student wellbeing and safeguarding

We continue to put additional provision in place to support student wellbeing. Staff have had comprehensive training in Safeguarding. However, wellbeing continues to be a key priority particularly for those students with low levels of attendance.

Staff wellbeing

Staff wellbeing will continue to be measured and staff will be consulted on any areas of change.

The academy has sound systems of internal control, risk management and assurance and maintains a risk register which includes assessments of financial risk

4.5 Risk Management

The Finance & Resources Manager produces monthly budget monitoring reports. Strong internal controls are in place to ensure that budget holders sign off all ordering. These budget holders are tasked with running their departments within their budgets and to maintain the high-quality learning and teaching environment and outstanding exam results.

The Audit & Risk Committee reviews strategic risks and a summary is produced for discussion by the Governing Body on actions taken to manage and mitigate against the risks. An Investment Policy is in place and the Academy invests cash flow surpluses for a limited period to generate a return that can be reinvested in the education of our pupils. In balancing risk against return however the Academy policy is clearly geared towards minimising risk rather than maximising returns.

4.6 Fundraising [see Charities (Protection and Social Investments) Act 2016]

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

5. Plans for Future Periods

The Strategic aims for 2022-2025 have been drawn up as follows

Challenge

Ensure that the quality of education provided at LGGS enables all our students to successfully progress onto the next stage of their education or training.

- A. Continue to review and develop the curriculum to ensure that it is ambitious and provides all students with the knowledge they need to succeed in later life
- B. Ensure the highest standards in teaching, learning and assessment, through an open culture of shared practice and development of subject expertise.
- C. Seek opportunities to work collaboratively with other schools and organisations. This may include more formal arrangements in terms of Multi Academy Trusts.
- D. Continue to promote strong leadership and management through shared values and practice whilst ensuring that staff workload is manageable.

Care

Promote the extensive personal development and well-being of all members of the school community with exceptional quality opportunities for all to develop their talents and interests

- A. Ensure that all students feel supported in school so that they can develop the confidence resilience and knowledge to keep themselves mentally and physically healthy
- B. Provide a supportive working environment for all staff, to value and respect them and their work, and to enable them to provide education of the highest quality.
- C. Promote equality of opportunity and an inclusive environment, ensuring that all members of the school community feel valued and respected
- D. Ensure our personal development programme reflects the needs of students and prepares them to play their part and become actively involved in public life as adults
- E. Ensure that careers and guidance programmes provide students with high quality advice and meaningful opportunities to encounter the world of work
- F. Continue to monitor staff workload and seek opportunities to reduce workload and to promote staff wellbeing.

Contribute

Further develop highly positive attitudes and commitment to their education by all pupils and ensure they can make significant contribution to the life of the school and wider community.

- A. Continue to establish clear routines and expectations around school and in classrooms so there is always a positive and respectful culture
- B. Ensure that disadvantaged, students with special educational needs and more vulnerable students can benefit from the opportunities at LGGS.
- C. Develop more opportunities for students to lead, contribute and inspire through participation in a wide range of activities and curriculum areas.

The school's targets for 2023-24 are

Quality of Education

- Ensure ongoing curriculum development
- Develop a shared framework for expert teaching
- Ensure an exceptional provision is in place for all students with a particular focus on SEND and PP students
- Implement a highly effective reading strategy

Lancaster Girls' Grammar School

Trustees' Report

Year Ended 31st August 2023

Behaviour and Attitudes

- Further increase student recognition
- Develop a clear pastoral scheme of delegation
- Ensure that timely and appropriate support is put in place based on accurate behaviour and attendance information

Personal Development

- Provide positive support to develop student resilience, confidence, and independence
- Develop student leadership to ensure representation from across the school
- Recognise and continue to increase the opportunities available to students outside of the classroom (extracurricular, trips, engagement)

Leadership and Management

- Further enhance our outreach and engagement work to widen participation
- Continue to ensure all staff receive highly effective CPD
- Continue to reduce unnecessary workload and promote positive staff wellbeing

Sixth Form

- Increase recruitment and retention in the Sixth Form through our clear and unmatched offer
- Increase the focus on academic tracking and support alongside pastoral
- Further develop our aspirational programmes e.g., Oxbridge, Medicine etc

6. Funds held as Custodian Trustee on behalf of others

During the year ending the 31st of August 2023 Lancaster Girls' Grammar School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

7. Auditor

In so far 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 Board of Trustees, as the company directors, on 30/NOV/2023 and signed on the board's behalf by:

.....

Mrs S Bain
Chair of Trustees

Lancaster Girls' Grammar School

Governance Statement

Year Ended 31st August 2023

1. Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Lancaster Girls' 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.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Lancaster Girls' 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.

2. Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statements of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| | MEETINGS ATTENDED | OUT OF POSSIBLE |
|---------------------|-------------------|-----------------|
| Sarah Bain | 5 | 6 |
| Jackie Cahalin | 4 | 4 |
| Chris Beard | 1 | 1 |
| Sue Hodgson | 5 | 5 |
| Alina King | 6 | 6 |
| Amanda Morgan | 0 | 2 |
| Alison Palmer | 0 | 2 |
| Sarah Randall-Paley | 5 | 6 |
| Gillian Rawlinson | 4 | 6 |
| Leanne Sharples | 6 | 6 |
| Sally Shepherd | 3 | 5 |
| Julia Stables | 4 | 4 |
| Richard Taylor | 4 | 5 |
| Asif Timol | 5 | 6 |
| Michelle To | 5 | 5 |
| Alison Whittaker | 4 | 6 |

Governors carried out a self-assessment exercise. This was used to inform the strengths and areas of development needed for the governors and identified training needs.

The Finance Committee is a sub-committee of the main Board of Trustees. This committee is responsible for all financial matters related to the Trust. Attendance at meetings in the year was as follows:

| TRUSTEE | MEETINGS ATTENDED | OUT OF POSSIBLE |
|---------------------|-------------------|-----------------|
| Mrs S Bain | 5 | 6 |
| Mr C Beard | 3 | 3 |
| Mrs J Cahalin | 3 | 3 |
| Mrs S Hodgson | 6 | 6 |
| Mrs S Randall-Paley | 6 | 6 |

Governor and Committee meetings were either held online or in person during this period.

The Academic Committee met formally four times. The Committee monitors progress towards achievement targets and contributes to whole school evaluation in particular teaching and learning issues, assessment, and achievement.

Lancaster Girls' Grammar School

Governance Statement

Year Ended 31st August 2023

The Students, Parents and Community Committee met formally four times. The key roles for this committee are the evaluation of the school's wellbeing and support systems, including safeguarding, parental engagement, and community links. It also monitors student attendance and behaviour. The Committee also looks in detail at disadvantaged students and evaluates Special Educational Needs and Disabilities (SEND) provision.

The Buildings Committee oversees major building projects and monitors the management and development of the school site. This Committee met once.

The Health and Safety Committee, which met formally twice, carries out a rolling programme of health and safety checks around school. It also oversees Educational Visits.

The Strategy committee, which incorporates the Pay Committee and looks at strategic issues, reviewed pay progression in November

The Senior Leadership Team of the Academy is responsible for the day-to-day management of the school as well as ensuring the annual development plan is carried out successfully. The Senior Leadership Team in place for the year ended 31st August 2023 consisted of Headteacher, one Deputy Headteacher, three Assistant Headteacher, two Associate Assistant Headteachers and a Finance and Resources Manager.

3. Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Improving educational outcomes

Standards remain very high and are significantly above the national average.

The vast majority of Year 11 pupils stayed at LGGS for their A level education. From the sixth form, students are able to progress successfully onto the next stage of their lives, for most this is university, but students are also increasingly looking at apprenticeships with prestigious organisations.

Focus on individual pupils

Our revised personal development curriculum, very strong pastoral care and mentoring programmes all ensure a focus on individual pupils.

Collaboration

We are a strategic partner in the Ripley Teaching School Alliance and benefitted from a series of training opportunities hosted by the Alliance.

New initiatives

We have successfully gained the Lancashire Equality Mark. We are continuing with our personal laptops for Year 7, so three-year groups now benefit from this scheme. We have implemented a new Personal Development curriculum which is being positively evaluated. There are a significant number of staff engaged with National Professional Qualifications training. A new approach to assessment and reporting at KS3 is being implemented.

Quantifying improvements

Our results confirm that pupils at LGGS make well above average progress. Behaviour records and both pupil and parental surveys show that behaviour is very good. There are high levels of staff, student, and parental satisfaction. These improvements were made while keeping to budget.

Lancaster Girls' Grammar School

Governance Statement

Year Ended 31st August 2023

Financial governance and oversight

The Finance Committee is made up of specialists with considerable legal and financial experience. They hold detailed discussions and challenge financial information at meetings of the Finance Committee and the full Governing Body. The Finance Committee is given regular management accounts to track, and hold to account, the finances of the Academy. These reports are used to make informed decisions about the best use of Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Finance Committee, as is the risk register.

In addition to External Auditors, Internal Auditors have been appointed and undertake checks on the school's finances and procedures each term and a report is submitted to the Audit and Risk Committee. Benchmarking is undertaken with the Finance Committee to compare expenditure on key cost items with similar schools.

Maximising income generation

We have worked to ensure that recruitment of students remains a key priority.

We are also in the process of redesigning and relaunching our annual fund to increase charitable donations to help support additional activities and improve facilities in school.

Reviewing controls and managing risks

The Finance and Resources Manager produces monthly budget monitoring reports. Strong internal controls are in place to ensure that budget holders sign off all ordering. These budget holders are tasked with running their departments within their budgets and to maintain the high-quality learning and teaching environment and outstanding exam results. The Audit and Risk Committee reviews strategic risks and makes decisions on steps to manage and mitigate against the risks. An Investment Policy is in place and the Academy invests cash flow surpluses for a limited period in order to generate a return that can be reinvested in the education of our pupils. In balancing risk against return, however, the Academy policy is clearly geared towards minimising risk rather than maximising returns.

Lessons learned (reviewing operations to maximise resources)

We have been able to continue making savings through rationalising the curriculum and monitoring expenditure on staffing. This means that there are very few uneconomical teaching groups at Key Stage 4. Sixth form staffing, curriculum and recruitment need to be managed carefully to ensure the sixth form remains financially strong.

4. 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 the Academy Trust's 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 Lancaster Girls' Grammar School for the year ended 31st August 2023 and up to the date of approval of the annual report and financial statements.

5. Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the Academy Trust's significant risks that has been in place for the year ended 31st August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and was the subject of the internal scrutiny process in the academic year.

Governance Statement

Year Ended 31st August 2023

6. The Risk and Control Framework

The Academy Trust'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. It includes:

- Comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by the Board of Trustees;
- Reviews by the Finance Committee of monthly reports which indicate financial performance against forecasts and consideration 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, and;
- Identification and management of risks.

The Board of Trustees have considered the need for a specific internal scrutiny function and appointed Halliday's Group Ltd to carry out this role.

Halliday's carried out a review of the academy's premises and health and safety management procedures. Their report is submitted separately to the ESFA.

7. Review of Effectiveness


As Accounting Officer, Mr C Beard 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 auditors;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the Finance 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 on 30/NOV/2023 and signed on its behalf by:


.....
Mrs S Bain
Chair of Trustees


.....
Mr C Beard
Accounting Officer

Lancaster Girls' Grammar School

Statement on Regularity, Propriety and Compliance

Year Ended 31st August 2023

As Accounting Officer of Lancaster Girls' Grammar School, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

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 Trustees and ESFA.



.....
Mr C Beard
Accounting Officer

Date: 30/Nov/2023

Lancaster Girls' Grammar School

Statement of Trustees' Responsibilities

Year Ended 31st August 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- 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 charitable company will continue in operation.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company'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 Trustees on 30 / NOV / 2023 and signed on its behalf by:



.....
Mrs S Bain
Chair of Trustees

Lancaster Girls' Grammar School

Independent Auditor's Report to the Members of Lancaster Girls' Grammar School

Year Ended 31st August 2023

Opinion

We have audited the financial statements of Lancaster Girls' Grammar School (the 'Academy Trust') for the year ended 31st August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at the 31st August 2023, and of its 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, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & 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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Academy Trust'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

(Continued)

Lancaster Girls' Grammar School

Independent Auditor's Report to the Members of Lancaster Girls' Grammar School

Year Ended 31st August 2023

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Trustees' responsibilities statement set out on page 17, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Lancaster Girls' Grammar School

Independent Auditor's Report to the Members of Lancaster Girls' Grammar School

Year Ended 31st August 2023

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust'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 Academy Trust and the Academy Trust's Members as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Mr Phillip Dennison ACA FCCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 11 / 12 / 23

Lancaster Girls' Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Lancaster Girls' Grammar School and the Education & Skills Funding Agency

Year Ended 31st August 2023

In accordance with the terms of our engagement letter dated 31st August 2023 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lancaster Girls' Grammar School during the year from the 1st September 2022 to the 31st August 2023 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 Lancaster Girls' Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Lancaster Girls' Grammar School 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 Lancaster Girls' Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lancaster Girls' Grammar School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Lancaster Girls' Grammar School's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1st September 2022, 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 2022 to 2023. 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 from the 1st September 2022 to the 31st August 2023 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 Academy Trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the Academy Trust as prescribed in Section 4 of the Guide For External Auditors section of the Academies Accounts Direction 2022 to 2023 issued by the ESFA; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

(Continued)

Lancaster Girls' Grammar School

Independent Reporting Accountant's Assurance Report on Regularity to Lancaster Girls' Grammar School and the Education & Skills Funding Agency

Year Ended 31st August 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from the 1st September 2022 to the 31st August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Phillip Dennison ACA FCCA (Senior Statutory Auditor)
For and on behalf of CWR Chartered Accountants
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 11/12/23

Lancaster Girls' Grammar School

Statement of Financial Activities incorporating Income & Expenditure Account

Year Ended 31st August 2023

| | Note | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2023 £000 | Total 2022 £000 |
|--|--------|-------------------------------|--|--|--------------------------------|--------------------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | - | 240 | 65 | 305 | 783 |
| Charitable activities: | | | | | | |
| Funding for the Academy Trust's educational operations | 3 | - | 5,831 | - | 5,831 | 5,379 |
| Other trading activities | 4 | 229 | - | - | 229 | 245 |
| Investments | 5 | 7 | - | - | 7 | 1 |
| Total | | 236 | 6,071 | 65 | 6,372 | 6,408 |
| Expenditure on: | | | | | | |
| Raising funds | | - | - | - | - | - |
| Charitable activities: | | | | | | |
| Academy trust's educational operations | 6,7 | 242 | 5,763 | 330 | 6,335 | 5,994 |
| Total | | 242 | 5,763 | 330 | 6,335 | 5,994 |
| Net income/(expenditure) | | (6) | 308 | (265) | 37 | 414 |
| Transfers between funds | 16 | - | (341) | 341 | - | - |
| Other recognised gains/(losses) | | | | | | |
| Impairment of land and buildings | 11 | - | - | - | - | (2,201) |
| Actuarial gains on defined benefit pension schemes | 16, 27 | - | 632 | - | 632 | 2,179 |
| Net movement in funds | | (6) | 599 | 76 | 669 | 392 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 16 | 320 | 171 | 11,230 | 11,721 | 11,329 |
| Total funds carried forward | 16 | 314 | 770 | 11,306 | 12,390 | 11,721 |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Lancaster Girls' Grammar School

Balance Sheet

Year Ended 31st August 2023

| | Notes | 2023 £000 | 2023 £000 | 2022 £000 | 2022 £000 |
|---|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 11,115 | | 10,931 |
| Current assets | | | | | |
| Stocks | 12 | 3 | | 3 | |
| Debtors | 13 | 145 | | 426 | |
| Cash at bank and in hand | | 1,224 | | 1,321 | |
| | | 1,372 | | 1,750 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 14 | (441) | | (703) | |
| Net current assets | | | 931 | | 1,047 |
| Total assets less current liabilities | | | 12,046 | | 11,978 |
| Creditors: Amounts falling due after more than one year | 15 | | - | | - |
| Net assets excluding pension asset / liability | | | 12,046 | | 11,978 |
| Defined benefit pension scheme asset / (liability) | 27 | | 344 | | (257) |
| Net assets including pension liability | | | 12,390 | | 11,721 |
| Funds of the Academy Trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 16 | 11,306 | | 11,230 | |
| Restricted income fund | 16 | 426 | | 428 | |
| Pension reserve | 16 | 344 | | (257) | |
| Total restricted funds | | | 12,076 | | 11,401 |
| Unrestricted income funds | 16 | | 314 | | 320 |
| Total funds | | | 12,390 | | 11,721 |

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on the 30/Nov/2023 and are signed on their behalf by:



Mrs S Bain
Chair of Trustees

Company Limited by Guarantee
Registration Number: 07441463

Lancaster Girls' Grammar School

Statement of Cash Flows

Year Ended 31st August 2023

| | Notes | 2023 £000 | 2022 £000 |
|--|-------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | 348 | 222 |
| Cash flows from investing activities | 22 | (442) | 70 |
| Cash flows from financing activities | 21 | (3) | (6) |
| Change in cash and cash equivalents in the reporting period | | <u>(97)</u> | <u>286</u> |
| Cash and cash equivalents at 1st September 2022 | | 1,321 | 1,035 |
| Cash and cash equivalents at 31st August 2023 | 23/24 | <u>1,224</u> | <u>1,321</u> |

1 Accounting policies

General information and basis of preparation

Lancaster Girls' Grammar School is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 2 of these financial statements and the principal place of business is Regent Street, Lancaster, LA1 1SF. The nature of the Academy Trusts operations and principal activities are set out in the Trustees' Report on page 4.

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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) 2019), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Going concern

The Trustees 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

• **Grants receivable**

Grants are included in the 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 Statement of Financial Activities in the period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

1 Accounting policies (continued)

Income (continued)

- **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 period it is receivable and to the extent the Academy Trust has provided goods or services.

- **Donated goods, facilities, and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities." Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities." Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities."

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.

1 Accounting policies (continued)

Expenditure (continued)

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 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 restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the 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 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 lives, as follows:

| | |
|------------------------------------|------------------------------|
| Freehold buildings | Over 50 years' straight line |
| Fixtures, Furniture, and equipment | Over 3 years' straight line |
| Computer equipment | Over 3 years' straight line |

Assets during construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 Statement of Financial Activities.

The building valuation represents the value of freehold assets as per the ESFA valuation carried out in 2021 by a RICS approved valuer. In this valuation the freehold buildings were valued at £10,490,000. The assets were valued using a depreciated replacement cost model and the buildings element is to be depreciated over a 50-year period (note 11).

1 Accounting policies (continued)

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date because 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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date because of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis 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 13. Prepayments are not financial instruments.

1 Accounting policies (continued)

Financial instruments (continued)

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 notes 14 and 15. 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.

Stocks

Stocks consist of unused catering and stationery stores and are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust 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 Academy Trust 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.

Pensions Benefits

Retirement benefits to employees of the Academy Trust 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 to spread the cost of pensions over employees' working lives with the Academy Trust 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 based on 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.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net operating income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Notes to the Financial Statements

Year Ended 31st August 2023

1 Accounting policies (continued)

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

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 Academy Trust 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:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2019 has been used by the actuary in valuing the pensions liability at 31st August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2023 £000 | Total 2022 £000 |
|----------------------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| ESFA Capital grants | - | 65 | 65 | 700 |
| Trips and other non-public funds | - | 201 | 201 | 55 |
| Other donations | - | 39 | 39 | 28 |
| | <u>-</u> | <u>305</u> | <u>305</u> | <u>783</u> |

Income from donations and capital grants was £305,000 (2022 - £783,000) of which £nil (2022 - £nil) was attributable to unrestricted funds, £240,000 (2022 - £83,000) was attributable to restricted general funds and £65,000 (2022 - £700,000) was attributable to restricted fixed asset funds.

£65,000 (2022 - £700,000) of government grants were received for capital and maintenance works.

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

3 Funding for Academy Trust's educational operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2023 £000 | Total 2022 £000 |
|---------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 5,404 | 5,404 | 5,097 |
| Other DfE Group grants: | | | | |
| Pupil Premium | - | 45 | 45 | 45 |
| Teacher Pay/Pension grant | - | 57 | 57 | 68 |
| Rates grant | - | 21 | 21 | 19 |
| Other grants | - | 286 | 286 | 113 |
| | - | 5,813 | 5,813 | 5,342 |
| Other Government grants | | | | |
| Local Authority grants | - | 6 | 6 | 7 |
| | - | 6 | 6 | 7 |
| Exceptional Government funding | | | | |
| Other DfE/ESFA Covid-19 funding | - | 12 | 12 | 30 |
| | - | 12 | 12 | 30 |
| Total | - | 5,831 | 5,831 | 5,379 |

Funding for Academy Trust's educational operations was £5,831,000 (2022 - £5,379,000) of which £nil (2022 - £nil) was attributable to unrestricted funds, £5,831,000 (2022 - £5,379,000) was attributable to restricted general funds and £nil (2022 - £nil) was attributable to restricted fixed asset funds.

£5,831,000 (2022 - £5,379,000) of government grants were received for the purposes of the day to day running costs of the Academy and its charitable objectives.

The Academy received £12,000 (2022 - £30,000) of covid funding and costs incurred in respect of this funding totalled £12,000 (2022 - £30,000).

4 Other trading activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2023 £000 | Total 2022 £000 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Catering income | 158 | - | 158 | 136 |
| Sale of educational goods and services | 29 | - | 29 | 31 |
| Exam related fees | 7 | - | 7 | 2 |
| Chromebook income | 35 | - | 35 | 76 |
| | 229 | - | 229 | 245 |

Income from other trading activities was £229,000 (2022 - £245,000) of which £229,000 (2022 - £243,000) was attributable to unrestricted funds, £nil (2022 - £2,000) was attributable to restricted general funds and £nil (2022 - £nil) was attributable to restricted fixed asset funds.

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

5 Investment income

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2023 £000 | Total 2022 £000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Short term deposits | 7 | - | 7 | 1 |
| | <u>7</u> | <u>-</u> | <u>7</u> | <u>1</u> |

Investment income was £7,000 (2022 - £1,000) of which £7,000 (2022 - £1,000) was attributable to unrestricted funds, £nil (2022 - £nil) was attributable to restricted general funds and £nil (2022 - £nil) was attributable to restricted fixed asset funds.

6 Expenditure

| | Staff Costs £000 | Non-Pay Expenditure Premises £000 | Other Costs £000 | Total 2023 £000 | Total 2022 £000 |
|--|------------------------|---|------------------------|-----------------------|-----------------------|
| Academy Trust's educational operations | | | | | |
| Direct costs | 3,919 | 108 | 639 | 4,666 | 4,587 |
| Allocated support costs | 751 | 448 | 470 | 1,669 | 1,407 |
| | <u>4,670</u> | <u>556</u> | <u>1,109</u> | <u>6,335</u> | <u>5,994</u> |

£242,000 (2022 - £243,000) of the above expenditure on the Academy Trust's educational operations was attributable to unrestricted funds, £5,763,000 (2022 - £5,478,000) was attributable to restricted general funds and £330,000 (2022 - £273,000) was attributable to restricted fixed asset funds.

Net income/expenditure for the year includes:

| | 2023 £000 | 2022 £000 |
|----------------------------------|--------------|--------------|
| Operating lease rentals | 24 | 21 |
| Depreciation | 330 | 273 |
| Fees payable to the auditor for: | | |
| Audit | 5 | 5 |
| Other services | 6 | 6 |

No additional transactions have taken place under Section 5.2 of the 2022 Academies Financial Handbook which require additional disclosure.

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

7 Charitable activities

| | Total 2023 £000 | Total 2022 £000 |
|---|--------------------------------|--------------------------------|
| Direct costs – educational operations | 4,666 | 4,587 |
| Support costs – educational operations | 1,669 | 1,407 |
| | 6,335 | 5,994 |

| Analysis of direct costs | Educational operations £000 | Total 2023 £000 | Total 2022 £000 |
|---------------------------------|--|--------------------------------|--------------------------------|
| Direct staff costs | 3,919 | 3,919 | 3,900 |
| Learning resources | 136 | 136 | 197 |
| Examination fees | 122 | 122 | 137 |
| School trips and visits | 197 | 197 | 55 |
| Depreciation | 211 | 211 | 171 |
| Other direct costs | 81 | 81 | 127 |
| Total direct costs | 4,666 | 4,666 | 4,587 |

| Analysis of support costs | Educational operations £000 | Total 2023 £000 | Total 2022 £000 |
|----------------------------------|--|--------------------------------|--------------------------------|
| Support staff costs | 751 | 751 | 705 |
| Depreciation | 119 | 119 | 102 |
| Premises costs | 364 | 364 | 395 |
| Catering costs | 159 | 159 | 115 |
| Other support costs | 260 | 260 | 73 |
| Governance costs | 16 | 16 | 17 |
| Total support costs | 1,669 | 1,669 | 1,407 |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

8 Staff

(a) Staff costs

| | 2023 £000 | 2022 £000 |
|-------------------------------------|--------------|--------------|
| Staff costs during the period were: | | |
| Wages and salaries | 3,520 | 3,313 |
| Social security costs | 344 | 325 |
| Pension costs | 799 | 954 |
| | <u>4,663</u> | <u>4,592</u> |
| Apprenticeship Levy | 3 | 1 |
| Agency staff costs | 4 | 12 |
| Staff restructuring costs | - | - |
| | <u>4,670</u> | <u>4,605</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | - |
| Severance payments | - | - |
| Other restructuring costs | - | - |
| | <u>-</u> | <u>-</u> |

(b) Staff numbers

The average number of persons employed by the Academy Trust during the year, and the full-time equivalents, was as follows:

| | 2023 Number | 2023 Full-time equivalent | 2022 Number | 2022 Full-time equivalent |
|----------------------------|----------------|---------------------------------|----------------|---------------------------------|
| Teachers | 65 | 48 | 58 | 46 |
| Administration and support | 88 | 37 | 79 | 37 |
| Management | 6 | 5 | 6 | 6 |
| | <u>159</u> | <u>90</u> | <u>143</u> | <u>89</u> |

(c) Higher paid staff

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

| | 2023 No. | 2022 No. |
|--------------------|-------------|-------------|
| £60,001 - £70,000 | 3 | 1 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | - | - |
| £90,001 - £100,000 | - | 1 |
| | <u>4</u> | <u>2</u> |

It is noted that a change in Accounting Officer occurred in April 2023.

8 Staff (continued)

(d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £655,000 (2022: £539,000).

9 Related party transactions - Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have received other benefits from employment with the Academy Trust. The Head teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

J Cahalin (Head teacher and Trustee) resigned 16th April 2023:

| | |
|----------------------------------|--|
| Remuneration | £60,000 - £70,000 (2022: £95,000 - £100,000) |
| Employers' pension contributions | £15,000 - £20,000 (2022: £20,000 - £25,000) |

L Sharples (Staff Trustee) resigned 14th July 2023

| | |
|----------------------------------|---|
| Remuneration | £40,000 - £45,000 (2022: £45,000 - £50,000) |
| Employers' pension contributions | £5,000 - £10,000 (2022: £10,000 - £15,000) |

J Stables (Staff Trustee) resigned 23rd March 2023

| | |
|----------------------------------|---|
| Remuneration | £10,000 - £15,000 (2022: £20,000 - £25,000) |
| Employers' pension contributions | £0 - £5,000 (2022: £0 - £5,000) |

C Beard (Head teacher and Trustee) appointed 17th April 2023

| | |
|----------------------------------|--------------------------------|
| Remuneration | £35,000 - £40,000 (2022: £Nil) |
| Employers' pension contributions | £5,000 - £10,000 (2022: £Nil) |

During the year ended 31st August 2023, travel, and subsistence expenses totalling £nil were reimbursed or paid directly to nil Trustees (2022: £nil to nil Trustees).

Other related party transactions involving the Trustees are set out in note 28.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31st August 2023 was £250 (2022: £210). The cost of this insurance is included in the total insurance cost.

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

11 Tangible fixed assets

| | Freehold Land and Buildings £000 | Furniture and Fixtures £000 | Computer Equipment £000 | Total £000 |
|-----------------------------------|--|-----------------------------------|-------------------------------|---------------|
| Cost | | | | |
| At 1 st September 2022 | 10,868 | 184 | 369 | 11,421 |
| Additions | 341 | 48 | 125 | 514 |
| Disposals | - | - | - | - |
| At 31 st August 2023 | 11,209 | 232 | 494 | 11,935 |
| Depreciation | | | | |
| At 1 st September 2022 | 180 | 156 | 154 | 490 |
| Charged in period | 193 | 20 | 117 | 330 |
| Disposals | - | - | - | - |
| At 31 st August 2023 | 373 | 176 | 271 | 820 |
| Net book values | | | | |
| At 31 st August 2022 | 10,688 | 28 | 215 | 10,931 |
| At 31 st August 2023 | 10,836 | 56 | 223 | 11,115 |

12 Stocks

| | 2023 £000 | 2022 £000 |
|------------|--------------|--------------|
| Catering | 1 | 1 |
| Stationery | 2 | 2 |
| | 3 | 3 |

13 Debtors

| | 2023 £000 | 2022 £000 |
|--------------------------------|--------------|--------------|
| VAT recoverable | 38 | 23 |
| Other debtors | 45 | 355 |
| Prepayments and accrued income | 62 | 48 |
| | 145 | 426 |

14 Creditors: amounts falling due within one year

| | 2023 £000 | 2022 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 143 | 71 |
| Other taxation and social security | 80 | 76 |
| Other creditors | 132 | 169 |
| Accruals and deferred income | 86 | 387 |
| | 441 | 703 |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

15 Creditors: amounts falling due after more than one year

| | 2023 £000 | 2022 £000 |
|-----------------|--------------|--------------|
| Other creditors | - | - |
| | - | - |

16 Funds

| | Balance at 1 st September 2022 £000 | Income £000 | Expenditure £000 | Gains, Losses and Transfers £000 | Balance at 31 st August 2023 £000 |
|---|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 423 | 5,404 | (5,061) | (341) | 425 |
| Other DfE/ESFA grants | - | 421 | (421) | - | - |
| Local Authority grants | - | 6 | (6) | - | - |
| Other restricted funds | 5 | 240 | (244) | - | 1 |
| Pension reserve | (257) | - | (31) | 632 | 344 |
| | 171 | 6,071 | (5,763) | 291 | 770 |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 299 | 65 | - | (314) | 50 |
| Unspent GAG contribution for Capital | - | - | - | 141 | 141 |
| Capitalised assets post conversion | 243 | - | (137) | 173 | 279 |
| ESFA building valuation | 10,688 | - | (193) | 341 | 10,836 |
| | 11,230 | 65 | (330) | 341 | 11,306 |
| Total restricted funds | 11,401 | 6,136 | (6,093) | 632 | 12,076 |
| Total unrestricted funds | 320 | 236 | (242) | - | 314 |
| Total funds | 11,721 | 6,372 | (6,335) | 632 | 12,390 |

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

The General Annual Grant (GAG) must be used for the normal running costs of the school. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2023. At the year-end the carry forward of GAG funding was £425,000.

Other DfE/ESFA Grants include other monies received outside of GAG funding and these Grants are all related to the furtherance of education within the Academy. As at the 31st August 2023 these funds had been spent in full.

Local Authority grants represent amounts payable to the Academy predominantly from Lancashire County Council. This includes funds which relate specifically to Special Educational Needs (SEN) funding and pupil premium. As at the 31st August 2023 these funds had been spent in full.

16 Funds (continued)

Other restricted funds include monies from trips & non-public funds, assisted musical instrument purchases and donations from Lancaster Girls' Grammar School Fund (charity no.1142061) predominantly towards maintenance costs and learning resources. During the year the trips & non-public funds had no excess expenditure over income.

The other donations received are for restricted purposes and as at the year-end £1,000 of the donations received remained unspent as at 31st August 2023.

The pension reserve represents the value of the academy's share of the surplus in the Local Government Pension Scheme. The value of the share of the surplus was £344,000 at the 31st August 2023.

DfE group capital grants represent capital monies received during the year from the ESFA. Remaining DFC grant unspent as at 31st August 2023 was £50,000. The balance of £299,000 represents the CIF grant that had been received in the prior year, was all spent during the 2022/2023 year.

Capitalised assets post conversion represents the value of assets purchased since the school became an Academy. These will be depreciated in line with the accounting policies set out in note 1.

The ESFA building valuation represents the value of freehold assets as per the ESFA valuation, the latest was carried out at 31st August 2021 by an RICS approved valuer, and has been reflected in these financial statements. In this valuation the freehold buildings were valued at £10,490,000, a decrease of the carrying value as at 31st August 2021 of £2,201,000. The assets were valued using a depreciated replacement cost model and the building element is to be depreciated over a 50-year period.

Unrestricted funds represent funds generated via activities such as the sale of materials to students, catering, and payments from other schools for the provision of teaching staff. It also includes the brought forward surplus on conversion to Academy status. The surplus on this fund at the year-end was £314,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy.

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

16 Funds (continued)

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

| | Balance at 1 st September 2021 £000 | Income £000 | Expenditure £000 | Gains, Losses and Transfers £000 | Balance at 31 st August 2022 £000 |
|-------------------------------------|---|----------------|---------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 430 | 5,097 | (4,874) | (230) | 423 |
| Other DfE/ESFA grants | - | 275 | (275) | - | - |
| Local Authority grants | - | 7 | (7) | - | - |
| Other restricted funds | 5 | 85 | (85) | - | 5 |
| Pension reserve | (2,199) | - | (237) | 2,179 | (257) |
| | (1,764) | 5,464 | (5,478) | 1,949 | 171 |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | - | 700 | - | (401) | 299 |
| Capitalised assets post conversion | 83 | - | (93) | 253 | 243 |
| ESFA building valuation | 12,691 | - | (180) | (1823) | 10,688 |
| | 12,774 | 700 | (273) | (1,971) | 11,230 |
| Total restricted funds | 11,010 | 6,164 | (5,751) | (22) | 11,401 |
| Total unrestricted funds | 319 | 244 | (243) | - | 320 |
| Total funds | 11,329 | 6,408 | (5,994) | (22) | 11,721 |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

17 Analysis of net assets between funds

Fund balances at 31st August 2023 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|-------------------------|-------------------------------|--|--|---------------------|
| Tangible fixed assets | - | - | 11,115 | 11,115 |
| Current assets | 314 | 867 | 191 | 1,372 |
| Current liabilities | - | (441) | - | (441) |
| Non-current liabilities | - | - | - | - |
| Pension scheme asset | - | 344 | - | 344 |
| Total net assets | 314 | 770 | 11,306 | 12,390 |

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

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Tangible fixed assets | - | - | 10,931 | 10,931 |
| Current assets | 320 | 1,131 | 299 | 1,750 |
| Current liabilities | - | (703) | - | (703) |
| Non-current liabilities | - | - | - | - |
| Pension scheme liability | - | (257) | - | (257) |
| Total net assets | 320 | 171 | 11,230 | 11,721 |

18 Capital commitments

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | 141 | 494 |

19 Commitments under operating leases

Operating leases

At 31st August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Amounts due within one year | 11 | 21 |
| Amounts due between one and five years | 12 | 17 |
| Amounts due after five years | - | - |
| | 23 | 38 |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

20 Reconciliation of net income/(expenditure) to net cash inflow from operating activities

| | 2023 | 2022 |
|--|-------------|-------------|
| | £000 | £000 |
| Net income for the reporting period (as per the Statement of Financial Activities) | 37 | 414 |
| Adjusted for: | | |
| Depreciation (note 11) | 330 | 273 |
| Capital grants from DfE and other capital income | (65) | (700) |
| Interest receivable (note 5) | (7) | (1) |
| Defined benefit pension scheme cost less contributions payable (note 27) | 25 | 201 |
| Defined benefit pension scheme finance cost (note 27) | 6 | 36 |
| (Increase)/decrease in stocks | - | - |
| Decrease / (Increase) in debtors | 281 | (354) |
| (Decrease) / Increase in creditors | (259) | 353 |
| Net cash provided by operating activities | 348 | 222 |

21 Cash flows from financing activities

| | 2023 | 2022 |
|---|-------------|-------------|
| | £000 | £000 |
| Repayments of borrowing | (3) | (6) |
| Cash inflows from borrowing | - | - |
| Net cash provided by/ (used in) financing activities | (3) | (6) |

22 Cash flows from investing activities

| | 2023 | 2022 |
|--|--------------|-------------|
| | £000 | £000 |
| Interest receivable | 7 | 1 |
| Proceeds from sale of tangible fixed assets | - | - |
| Purchase of tangible fixed assets | (514) | (631) |
| Capital grants from DfE/ESFA | 65 | 700 |
| Net cash (used in)/provided by investing activities | (442) | 70 |

23 Analysis of cash and cash equivalents

| | 2023 | 2022 |
|--|--------------|--------------|
| | £000 | £000 |
| Cash at bank and in hand | 1,224 | 1,321 |
| Notice deposits (less than 3 months) | - | - |
| Total cash and cash equivalents | 1,224 | 1,321 |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

24 Analysis of changes in net debt

| | At 1 st September 2022 | Cash flows | Acquisition / disposal of subsidiaries | Finance leases | Other non-cash changes | At 31 st August 2023 |
|--|---|---------------|---|-------------------|------------------------------|---------------------------------------|
| Cash | 1,321 | (97) | - | - | - | 1,224 |
| Cash equivalents | - | - | - | - | - | - |
| Overdraft facilities repayable on demand | - | - | - | - | - | - |
| | 1,321 | (97) | - | - | - | 1,224 |
| Loans falling due within one year | (3) | 3 | - | - | - | - |
| Loans falling due after more than one year | - | - | - | - | - | - |
| Finance lease obligations | - | - | - | - | - | - |
| | (3) | 3 | - | - | - | - |
| Total | 1,318 | (94) | - | - | - | 1,224 |

25 Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any capital asset for which a Government Capital grant was received, the school is required to either re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State, as the Secretary of State may require.

26 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.

27 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31st March 2016 and of the LGPS 31st March 2019.

Contributions amounting to £86,400(2022: £82,700) were payable to the schemes at 31st August 2023 and are included within creditors.

27 Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they can opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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 31st March 2016. The valuation report was published by the Department for Education on 5th March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £793,000 (2022: £764,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Notes to the Financial Statements

Year Ended 31st August 2023

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2023 was £246,000 (2022: £224,000), of which employer's contributions totalled £189,000 (2022: £163,000), and employees' contributions totalled £57,000 (2022: £61,000). The agreed contribution rates for future years are 20.3% for employers and the rate for employees remains dependant on the earnings of the employee.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013 and on 21st July 2022 the Department for Education reaffirmed its commitment with a parliamentary minute.

As described in note 1 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

| Principal Actuarial Assumptions | At 31 st August 2023 | At 31 st August 2022 |
|--|---------------------------------------|---------------------------------------|
| Rate of increase in salaries | 4.3% | 4.4% |
| Rate of increase for pensions in payment / inflation | 2.9% | 3.0% |
| Discount rate for scheme liabilities | 5.4% | 4.3% |
| Inflation assumption (CPI) | 2.8% | 2.9% |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

| | At 31 st August 2023 | At 31 st August 2022 |
|-----------------------------|---------------------------------------|---------------------------------------|
| <i>Retiring today</i> | | |
| Males | 21.0 | 22.3 |
| Females | 23.4 | 25.0 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.2 | 23.7 |
| Females | 25.2 | 26.8 |

Sensitivity analysis

| | | Sensitivity 1 | Sensitivity 2 | Sensitivity 3 | Sensitivity 4 |
|------------------------|---------|---------------------------|------------------------|-------------------------|----------------------------------|
| | Central | +0.5% pa discount rate | +0.25% pa inflation | +0.25% pa pay growth | 1 year inc in life expectancy |
| | £000 | £000 | £000 | £000 | £000 |
| Liabilities | 3,541 | 3,261 | 3,691 | 3,577 | 3,616 |
| Assets | (3,885) | (3,885) | (3,885) | (3,885) | (3,885) |
| Surplus | (344) | (624) | (194) | (308) | (269) |
| Projected service cost | 148 | 129 | 158 | 148 | 151 |
| Projected net interest | (24) | (42) | (16) | (22) | (20) |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

27 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The Academy Trust's share of the assets in the scheme was:

| | Fair value at 31 st August 2023 | Fair value at 31 st August 2022 |
|-------------------------------------|--|--|
| Equities | 1,880 | 1,716 |
| Gilts | 16 | - |
| Corporate bonds | - | 160 |
| Property | 369 | 396 |
| Cash and other liquid assets | 23 | 58 |
| Other | 1,597 | 1,305 |
| Total market value of assets | 3,885 | 3,635 |

The actual return on scheme assets was £83,000 (2022: £249,000).

Amounts recognised in the statement of financial activities

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Current service cost (net of employee contributions) | (20) | (196) |
| Interest income | 158 | 56 |
| Interest expense | (164) | (92) |
| Admin expenses | (5) | (5) |
| Total operating charge | (31) | (237) |

Lancaster Girls' Grammar School**Notes to the Financial Statements****Year Ended 31st August 2023****27 Pension and similar obligations (continued)****Local Government Pension Scheme (continued)****Changes in the present value of defined benefit obligations were as follows:**

| | 2023 £000 | 2022 £000 |
|------------------------------------|----------------------|----------------------|
| At 1st September | 3,892 | 5,418 |
| Current service cost | 209 | 359 |
| Interest cost | 164 | 92 |
| Employee contributions | 57 | 61 |
| Actuarial (gain) | (602) | (1,985) |
| Benefits paid | (179) | (53) |
| At 31st August | 3,541 | 3,892 |

Changes in the fair value of Academy Trust's share of scheme assets:

| | 2023 £000 | 2022 £000 |
|------------------------------------|----------------------|----------------------|
| At 1st September | 3,635 | 3,219 |
| Interest income | 158 | 56 |
| Actuarial gain | 30 | 194 |
| Employer contributions | 189 | 163 |
| Employee contributions | 57 | 61 |
| Benefits paid | (179) | (53) |
| Administration expenses | (5) | (5) |
| At 31st August | 3,885 | 3,635 |

Lancaster Girls' Grammar School

Notes to the Financial Statements

Year Ended 31st August 2023

28 Related Party Transactions

Owing to the nature of the Academy Trust's operations 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 1st April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures.

During the period of account, the Academy transacted with the Lancaster Girls' Grammar School Fund, a charity registered with the Charities Commission whose charity number is 1142061.

The objects of this charity are to advance the education of pupils at Lancaster Girls' Grammar School. During the year ended 31st August 2023 the charity made numerous donations to the Academy, the only material ones being £25,820 contribution to the picnic table and chairs, and £24,131 towards the pupil EdTech scheme.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

29 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31st August 2023 the trust received £21,831 (2022: £18,523) and disbursed £31,795 (2022: £15,217) from the fund.

An amount of £12,607 (2022: £22,571) is included in other creditors relating to undistributed funds that is repayable to ESFA.