

Charity Registration No. 1123869

Company Registration No. 06195985 (England and Wales)

KIRKHAM GRAMMAR SCHOOL
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED GOVERNORS REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

KIRKHAM GRAMMAR SCHOOL

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FOR THE YEAR ENDED 31 JULY 2022

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KIRKHAM GRAMMAR SCHOOL

LEGAL AND ADMINISTRATION DETAILS

FOR THE YEAR ENDED 31 JULY 2022

GOVERNORS

Governors are the Charity Directors of Kirkham Grammar School. They have all served in office throughout the year except where indicated, together with Governors who served in the year as indicated; they are:

Full Governors Chair: Mrs L Wareing		Full Governors Vice Chair: Mr P A Ribchester	
Commercial Committee	Appointment Date	Pastoral & Academic Committee	Appointment Date
Mr J E S Kollard (Chair of Commercial Committee)	June 2010	Miss A Longley (Chair of Pastoral & Academic Committee)	October 2020
Mr P R A Ribchester (Vice Chair)	March 2018	Mr K Berry (Vice Chair of Pastoral & Academic Committee)	June 2021
Mr S D Fulford-Brown (Governor)	March 2022	Mr A Berry (Governor)	May 2017
Mr S A Wilkinson (Governor)	November 2013	Mr M R P H D Wheatley (Drapers' Nominated Governor)	March 2019
Mr E J Waite (Governor)	June 2021	Mrs L Wareing (Chair of Governors)	November 2012
Mr M R A Bailey (Governor)	June 2021	Mrs N Walter (Deputy Head Diversity, Equality & Pastoral Services)	
Mrs L Wareing (Chair of Governors)	November 2012		

Health and Safety Representative	Mr E J Waite (Governor)
CCF Compliance Adviser	Mr E J Waite (Governor)
EYFS Representative	Miss A Longley (Governor)
Governor Policy Review	Mr E J Waite (Governor)
Learning Support / Child Protection and Safeguarding	Mr K Berry (Governor)

Committee Chairpersons may request any person to attend Committee Meetings when required.
 Chair of Governors (or Vice-Chairman as Chair's representative) is ex-officio to all Committees
 The Clerk to the Governors and Minuting Secretary will also be in attendance at all meetings
 The Deputy Head – Operations will be invited to attend meetings as appropriate

Newly appointed Governors are invited to attend all Committee Meetings initially and appointed to specific Committees thereafter.

KIRKHAM GRAMMAR SCHOOL LEGAL AND ADMINISTRATION DETAILS

FOR THE YEAR ENDED 31 JULY 2022

OFFICERS

Headmaster:	D H Berry BA NPQH
Bursar/Clerk to Governors:	D McNeillie
Principal Address:	Kirkham Grammar School Ribby Road Kirkham Preston PR4 2BH
Website:	http://www.kirkhamgrammar.co.uk

ADVISERS

Bankers:	National Westminster Bank PLC Corporate Office 20 Corporation Street Blackpool FY1 1EJ
Auditors:	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR
Solicitors:	Weightmans 100 Old Hall Street Liverpool L3 9QJ Napthens Libra House Cropper Close Whitehills Business Park Blackpool FY4 5PU Forbes Solicitors Ground Floor Oak House 28 Sceptre Way Walton Summit Preston PR5 6AW
Insurance Brokers:	PIB Insurance Brokers Poppleton Grange Low Poppleton Lane York YO26 6GZ

KIRKHAM GRAMMAR SCHOOL

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

The Governors present their Strategic Report and Financial Statements for the year ended 31 July 2022.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Schools

In keeping with the promotion of the family ethos and the priority of the all-round development of young people in a secure setting, the school continues to offer a vibrant community in which young people can grow, developing friendships and skills. The school and its pastoral team act as key support workers at times when pupils and their families meet problems and we try hard to foster the atmosphere of mutual trust that all staff participate in, to create the family ethos which we hold so dear. Our vision for the school is to ensure academic success; encompassed by a breadth of educational opportunities including sporting, creative and cultural excellence and the fulfilment of each pupil's potential.

The Governing Body is grateful for the selfless support of parents and to the Headmaster, the Junior School Headmistress and staff across the whole Foundation, whether teaching or support in inspiring, coaching and supporting each pupil's learning journey.

Senior School Academic Achievements and Performance

The Academic Year 2021/22 has been another wonderful year of successes and triumphs with Kirkham Grammar School being an extremely vibrant and dynamic place to study and work. It is the achievement of our pupils that takes priority over all we do, with the publication of the summer results 2022. The overall A-level results have demonstrated the best outcomes in the history of the school with every category improving against any other year. With more than 50% of the cohort achieving A*/A grades and more pupils attending leading universities and apprenticeship offers. At GCSE the results were just as pleasing. At both A*/A and GCSE pass rates the outcomes have been significantly higher than any previous year. This is impressive considering the disruption.

These impressive public examination results together with the host of co-curricular achievements when compared to the size of the school makes it one of the more successful in the UK.

Broader Aspects of School Life and Achievements

The variety of school life at KGS owes so much to its pupils' enthusiasm for co-curricular pursuits that provide a breadth and balance in our provision and for the willingness of so many staff to work with them in this. Co-curricular pursuits provide an opportunity for all our pupils to find an activity within the school, which gives them a sense of belonging and complements their work in the classroom and pupils embrace this philosophy.

The rich co-curricular life of sport, music, drama, Combined Cadet Force, Duke of Edinburgh and more, alongside the delivery of academic subjects, helps to foster self-confidence and self-esteem in our pupils. We are mindful of the pressure that young people face today and our family ethos encapsulates how we support pupils and how they, in turn, support each other.

The Duke of Edinburgh Award Scheme is open from the fourth year upwards and continues to flourish at KGS, allowing 200 pupils to fulfil their potential beyond the classroom and develop important skills for life and work. During the year many pupils gained Bronze, Silver and Gold Awards and we look forward to this success continuing. Our Gold Award achievers have received their 'Award Certificates' at ceremonies this year, meeting royalty and celebrities.

In the Music Department, all year groups have taken part in a number of concerts with accomplished performances from our very talented musicians. The annual Carol Concert was held at school this year. The performances were led by the Senior Choir providing an opportunity to impress the school community and visitors.

KIRKHAM GRAMMAR SCHOOL STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

Sport continues to play an important part of the daily routine for all students at KGS. During the rugby season many students represented the school, playing matches against other schools. The first XV continued to impress with high profile wins over other far reaching Independent Schools including reaching the national schools final played at Twickenham.

In Girls Hockey, most teams had a very successful season. A large number of pupils were selected for the England Hockey Junior Academy Centres in a variety of age groups whilst some went on to the Junior Regional Performance Centres.

The Combined Cadet Force continues to thrive at KGS with cadets enjoying an extensive training programme. The new cadets started with six weeks of drill culminating in the first ever passing out parade for the school.

Junior, Infant and Pre-School

The Junior, Infant and Pre-School has been a very busy place with every age year group from 3 to 11 being involved in educational trips and activities. Academically, children continue to exceed above the national average as recognised by the ISI Inspectors in February 2020. 'Pupils are ambitious learners, eager to respond to challenging opportunities and clear target setting. Pupils' show high levels of confidence and demonstrate high levels of empathy and tolerance towards others'. In addition to the richness of the curriculum onsite, students aged 3 to 11 enjoy an enriching outdoor education provision.

Music making and Performing Arts flourishes, with many pupils learning to play musical instruments, many involved in choirs, ensemble, and percussion ensemble and drama groups. The pupils have also performed in the wider community. Speech and drama continue to thrive with many students entering LAMDA examinations with outstanding results.

House competitions in all areas of Sport means that every child has the opportunity to represent their house and feel part of a successful team or representing their house on Sports Day. The older pupils have the opportunity to represent their school at local and regional events and in some cases national events in a variety of different sports; younger teams also had some victories in both hockey, rugby, athletics, swimming, triathlon, gymnastics and skiing.

Charity and Community

The Charity continues to develop community links. The school has a programme of widening educational access to our facilities, at fee rates below commercial levels. Local clubs and organisations use our campus regularly throughout the year and approximately 250 local children benefit each week from the use of our training facilities to receive organised sports coaching.

One of our key responsibilities within school is to ensure we consider those less fortunate than ourselves and the Charity Committees have had another very busy and successful year. Lower profile work continued throughout the year raising substantial money for various charities. School support staff continue to give their time voluntarily to help many local charities.

Fundraising Performance

Throughout the shortened year the Foundation continues to fulfil its objectives outlined in the Community Programme to improve school resources both for its own pupils and members of the community. We were grateful to the Old Kirkhamians and Friends, who made numerous donations to the school benefiting all age groups.

KIRKHAM GRAMMAR SCHOOL

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school reported an operating surplus of £125,318 after depreciation and this was favourable to the Budgets for the year. The Governing Body is pleased to report a surplus after a challenging period for the school during the various phases of lockdowns and the Covid-19 pandemic. The school hopes to maintain further financial stability with the planned targets being met allowing for strategic future planning of improved facilities and resources. The school continues not to lose focus of its main priority as detailed in the Charity's Objects and set out in its scheme.

The school's trading company continues to sell school uniform supplies and made a charitable donation to the school of £12,562 (£19,473 in 2020/21)

The Governing Body is satisfied that the assets of the school are available and adequate to fulfil the obligations of the Charity. Details of the specific funds are given in the notes to the financial statements.

The level of reserves is considered and reviewed at regular intervals. The policy is to build up the level of reserves by means of annual operational cash reserves and judicious management, with the supplement of income by donations. The Board has continued to keep the bank facility under review to ensure that in the absence of free reserves, it remains adequate to cover the school's working capital requirements.

Investment policy and objectives

The Governors' investment powers are governed by the Scheme, which permits the Charity's funds to be invested in the name of the said Official Custodian unless the Charity Commissioners direct otherwise. The Governors' policy is to generate income from investment property whilst preserving the real value of endowed investments.

FUTURE PLANS

The Board's Key Financial Objectives are:

- 1) To maintain the school roll at a normal level of 585 - 610 (Senior School) 220 - 250 (Junior, Infant and Pre School) and a Boarding House of 60+.
- 2) To continue the development in teaching and learning with various initiatives including pupils' skills of independent learning, developing the curriculum as appropriate, with high quality CPD and consistency across Teaching and Learning.
- 3) To maintain and improve the current high standards of academic achievement as measured by ISI Inspection, external public examinations and independent value added criteria.
- 4) Continue to develop school facilities.
- 5) Continue to fulfil aspects of the school's duty to provide worthwhile public benefit including community co-operation and review of scholarships and means tested bursaries.
- 6) Continue to review the school's finances including stability and growth.

KIRKHAM GRAMMAR SCHOOL STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

Approved by the Board of Governors on

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J E S Kollard
Chairman of Finance

KIRKHAM GRAMMAR SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 JULY 2022

The Governors present their annual report for the year ended 31 July 2022, under the Charities Act 2011, together with the audited accounts for the year and confirm that they comply with the requirements of the Scheme and Charities SORP 2005 and Companies Act 2006.

Reference and Administrative Information

Kirkham Grammar School was founded in 1549 and is registered with the Charity Commissioners as Kirkham Educational Foundation under charity number 526721. Under the transfer of undertaking the Charity Activity of Kirkham Educational Foundation transferred to Kirkham Grammar School (Limited by Guarantee) company number 6195985. The Governors of the Charity are as listed on page 1. Particulars of the Charity's executive officers, principal address of the Charity and professional advisers are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by a Charity Commission scheme of 19 February 2008, varied on 30 June 2009.

Governing Body

The structure of the Charity consists of the Senior School and Boarding House, Junior, Infant and Pre School known collectively as Kirkham Grammar School and governed by one Governing Body, the details of which are explained on page 1, together with information on how the members of the Governing Body are appointed to office.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at a meeting of the Kirkham Grammar School Board on the basis of nominations received, including the relevant body detailed on page 1. Governors are appointed by a resolution of the Governors passed at a special meeting of which not less than 14 and no more than 35 clear days' notice has been given. The Governors are recruited on specifications concerning eligibility, personal competence, specialist skills and local availability. New Governors are inducted into the workings of the Charity and its schools, including the Charity Scheme, Instruments and Articles of Association, Terms of Reference made by the Governors to regulate their Practices and Procedures and Committee Terms of Reference and an induction day in school including meeting the Chairman of Governors, Headmaster, Staff, Pupils and attending lessons. During the year Governors attended appropriate away day training sessions, including an AGBIS update seminar; Governors also completed online training for Radicalisation and Safeguarding Levels 1 and 2.

Organisational Management

The Governors of Kirkham Grammar School, as the trustees of the Charity, are legally responsible for the overall management and control of Kirkham Grammar School, and meet at least three times a year; the individual sub-committees meet termly. All Committees are scheduled to try and meet prior to the Finance and Development Committee, which meets usually ten days prior to the full Governing Board meeting. At two of the Finance and Development Committee meetings they specifically approve the budgets and fees for the next academic year and finalise the audited accounts and annual report for approval by the Board.

The Committee also makes recommendations to the Board of future capital projects and appropriate funding.

There is an annual Salary Review Body meeting comprising of Governors, Headmaster, Headmistress, School Business Management and Representatives from the Teaching and Associate Staff.

The day to day running of the school is delegated to the Headmaster, supported by the Senior Leadership Team, together with the School Business Manager. The Headmaster, Headmistress KGJS, Senior Deputy Head and School Business Manager attend full Governors' meetings supported as appropriate by other members of the Senior Leadership Team.

KIRKHAM GRAMMAR SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 JULY 2022

Group Structure and Relationship

The Charity has a wholly owned subsidiary company, Wrea Services Limited, of which the directors are both trustees. Wrea Services Limited is the school outfitters. The Charity benefits from the annual gift aid from the Company to the School.

Risk Management

The Kirkham Grammar School Board of Governors is responsible for the management of the risks faced by the school. Detailed considerations of risk are delegated to the Chairman of Governors, Vice-Chairman of Governors, Committee Chairmen and Headmaster, who are assisted by the Senior Leadership Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- formal agendas for all Committee and Board activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- clear authorisation and approval levels; and
- safeguarding procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the school, the Kirkham Grammar School Governors are satisfied that the major risks identified have been effectively mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTS, AIMS AND OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are to advance the education of children and young people by the provision of a school or schools, conducted in accordance with the principles of the Christian faith in or near Kirkham and Treales in the County of Lancashire and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Within these objects, the Charity has various permanent endowed trust funds held to generate income for bursaries.

Public Benefit Aims and Intended Impact

In meeting these Objects, the school's public benefit aim is to provide a first class independent education, both through strong academic tuition, and through developing wider sporting, artistic and social skills in all its pupils assisted through an extensive extra-curricular programme that aims to develop life-long leisure interests and help build self-confidence. This is intended to provide an environment where each pupil can fulfil his or her potential, develop leadership skills and inculcate a desire to contribute to the wider community. Kirkham Grammar School is one of the few remaining co-educational independent day schools that can offer parents and pupils the advantage of a boarding education.

In furtherance of these aims the Kirkham Grammar School Governors, as the charity trustees, have complied with the duty in s.2 (1) (b) of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. This is monitored and reported to the Governors by means of an annual audit and further details are available under the heading Grant-making policy.

KIRKHAM GRAMMAR SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 JULY 2022

Objectives for the Year

Our objectives are set to reflect our educational aims and the ethos of the School and detailed in the School Development Plan; these are incorporated within the whole school Self Evaluation Form (SEF). Areas covered are:

- Curriculum, Teaching & Learning and Attainment
- Pastoral Care and SMSC Development of Pupils
- Welfare, Health & Safety of Pupils
- Staffing and CPD
- Finance, Premises and Future Developments
- Leadership and Management
- Boarding
- EYFS.

New initiatives are introduced by the Headmaster to ensure every child receives the best education and pastoral care whilst at the school. During the year the school has worked hard to maintain and build upon the report from the Independent Schools Inspectorate (ISI) inspection, comprising of Regulatory Compliance and Educational Quality when in February 2020 we ultimately achieved 'excellence across all areas'. Also whilst setting our objectives our Governors give careful consideration to the Charity Commission's public benefit guidance.

Strategies to Achieve the Year's Objectives

The ethos of the school centres on a balanced education and this has been furthered by greater opportunity with additional clubs and societies and more educational trips abroad. We also continue to sustain links with local junior schools in both the state and independent sectors, encouraging wider community access to our school and its facilities. Many local clubs and societies use the school's facilities to provide sports coaching and training sessions in many different disciplines. The school also plays its part in the life of our local community through our community access, pupil enrichment programme and supporting local charities.

Principal Activities of the Year

The Charity principally provides education in Kirkham to boys and girls from the ages of 3 to 18 in its two schools and boarding facilities. It also hosts extensive evening clubs and summer schools with professional coaching. In the year, the Senior School averaged 658 (2020/21: 621) pupils of whom 75 (2020/21: 80) were Boarders and the Junior, Infant and Pre School averaged 212 (2020/21: 205) day pupils. Some year groups are full and have waiting lists and this gives us confidence that these numbers will continue in the foreseeable future. This is a result of our continued resolve to keep up the academic standards.

Grant-making Policy

This year, the value of scholarships, grants, prizes and other awards made to the schools' pupils out of restricted and unrestricted funds equated to £643,549. The Governors' policy, in line with that of other Independent Schools, is to make these awards on the basis of the individual's educational potential, subject to the particular conditions imposed by the original donor where the award is out of restricted funds. Further awards totalling £1,498,617 in bursaries and allowances were made from restricted and unrestricted funds, where the policy is to widen access and relieve hardship when the pupil's education and future prospects would otherwise be at risk. A hardship fund is also available to help pupils in receipt of bursaries and to access specific tuition where appropriate. The school is also registered to administer the Lancashire County Council's Early Years Single Funding Formula Scheme and Salary Sacrifice vouchers. The availability of all such fee assistance, together with the terms and conditions for these awards, is advertised on our website www.kirkhamgrammar.co.uk.

Volunteers

The Old Kirkhamians' Association assists with raising funds towards the provision of an OKA Bursary and aids the school in its quest to retain its heritage and provide sponsorships for our older pupils who embark on charitable work during their gap year: details are publicised in the OKA newsletters. The Friends of Kirkham

KIRKHAM GRAMMAR SCHOOL

REPORT OF THE GOVERNORS

FOR THE YEAR ENDED 31 JULY 2022

Grammar School also work voluntarily for the school and raise funds through social events to provide resources for the benefit of our pupils. The Board would like to take this opportunity to say how much we appreciate both Associations for continuing to provide valuable support for our work.

Statement of Governors' Responsibilities

The Governors of Kirkham Grammar School as charity Governors and Directors (for the purposes of company law) are responsible for preparing the Strategic Report and the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that 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 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Where applicable the Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Governors on

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J E S Kollard
Chairman of Finance

KIRKHAM GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF KIRKHAM GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 JULY 2022

Opinion

We have audited the financial statements of Kirkham Grammar School (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Cash Flows and 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Governors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KIRKHAM GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF KIRKHAM GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 JULY 2022

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Governors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Governors

As explained more fully in the Governors' Responsibilities Statement the governors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the Governors (as required by auditing standards) and discussed with the Governors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

KIRKHAM GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF KIRKHAM GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 JULY 2022

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

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; laws related to health and safety and employment.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

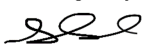
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors report.

Use of our report

This report is made solely to the group members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and under Section 151 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

KIRKHAM GRAMMAR SCHOOL
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF
KIRKHAM GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 JULY 2022

DocuSigned by:

CE52511F27C543D...

Stuart Stead (Senior Statutory Auditor)
for and on behalf of Cowgill Holloway LLP

Chartered Accountants
Statutory Auditor

.....

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

KIRKHAM GRAMMAR SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2022

Company information

Kirkham Grammar School is a charitable company registered as a charity in England and Wales and a company limited by guarantee. The registered office is Ribby Road, Kirkham, Preston, Lancashire, PR4 2BH.

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the investment assets at market value.

The financial statements have been prepared in accordance with 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 (FRS102) (effective January 2015) – (Charities SORP (FRS102)) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company is a qualifying entity for the purpose of FRS102 and has elected to take exemption under FRS102 paragraph 1.12(b) not to present the company statement of cashflows.

Going Concern

The group and school is in a net current liabilities position. The Governors have considered the group's ability to continue as a going concern and have prepared forecasts, including cash flow forecasts, to 31st July 2022. Based on these forecasts the Governors are satisfied that, for the foreseeable future, the school can meet its projected working capital requirements. The School has not been in breach of any of the financial covenants outlined by its bankers. Therefore, the Governors consider it appropriate to prepare the financial statements on the going concern basis. The financial effects of COVID-19 are uncertain, however, the Governors are satisfied that they have taken all necessary steps to protect the School and its wholly-owned subsidiary's, financial position, managing and continuing the provision of education to its pupils and safeguarding employees.

Transfer of activities

On 1 August 2008, the activities, certain assets and liabilities of Kirkham Education Foundation were transferred to the company. From 1 August 2008, the company traded as Kirkham Grammar School.

Basis of consolidation

These financial statements consolidate the results of the School, Kirkham Educational Foundation and its wholly-owned subsidiary Wrea Services Limited on a line by line basis. The acquisition method of accounting has been adopted. Under this method, the results of group undertakings acquired or disposed of in the year are included from the date of acquisition or up to the date of disposal, on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the SORP.

Fees and similar income

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

Donations received for the general purposes of the School are included in unrestricted funds.

KIRKHAM GRAMMAR SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2022

Donations

Donations for activities restricted by the wishes of the donor are taken to “restricted funds” where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor’s wishes are accounted for as “endowments” – permanent or expendable according to the nature of the restriction.

Expenditure

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Costs are allocated and apportioned between different classes of expenditure in accordance with the SORP.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Cost is defined as the purchase price of assets acquired, plus directly attributable costs incurred in bringing the asset into working condition for its intended use.

The capitalisation threshold of fixed assets is £5,000.

Gifted assets are capitalised and included in the statement of financial activities at a reasonable estimate of cost based on similar assets previously purchased by the School. The donation is shown as an incoming resource in the year.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset of its expected useful life, as follows: -

Freehold land	Not depreciated
Freehold buildings	50 years
Fixtures, fittings and equipment	5 years to 10 years
Motor vehicles	4 years
Computers	3 years

Investment property, which is property held to earn rentals and/or capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial position.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Investment income is accounted for in the period in which the School is entitled to receipt.

Investments in subsidiary undertakings are recorded at cost.

Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost is defined as purchase cost.

KIRKHAM GRAMMAR SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2022

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company become party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

KIRKHAM GRAMMAR SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2022

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Taxation

The School is an exempt charity and benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents.

The School is exempt from levying VAT on the services it provides to pupils. For this reason, the School is generally unable to recover input VAT it suffers on goods and services purchased, which is included in the cost of these goods and services.

Provision for irrecoverable fee debtors

Fees due but not received at the year end (classified as Trade Debtors within the Financial Statements) are included after making due provision for doubtful and irrecoverable balances. Such provisions are made on an individual basis considering individual circumstances, after review and approval by the Board of Governors. No provision is made where debts are deemed to be sufficiently secured, guaranteed and/or subject to payment arrangements.

Accumulated funds

Endowment funds comprise of individual trust funds set up by specific donors, the capital of which may not be expended. The purposes and uses of endowments funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Unrestricted funds are expended at the discretion of the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Pensions

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS). Contributions to the schemes are charged to the income and expenditure account, so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

KIRKHAM GRAMMAR SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2022

The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method or the LGPS and quinquennial valuations using a prospective benefit method for the TPS.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision effects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

KIRKHAM GRAMMAR SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Income						
<i>Income from charitable activities</i>						
School Fees	1	8,664,277	-	-	8,664,277	7,762,084
Other income	2	626,229	-	78	626,307	566,877
<i>Other trading activities</i>						
Trading turnover Wrea Services	3	145,063	-	-	145,063	135,522
Investment income	4	436	-	-	436	5,920
Donations		-	-	-	-	-
Total income and endowments		<u>9,436,005</u>	<u>-</u>	<u>78</u>	<u>9,436,083</u>	<u>8,470,403</u>
Expenditure						
<i>Other expenditure</i>						
Trading expenses	5	132,587	-	-	132,587	116,181
Financing costs		<u>103,841</u>	<u>-</u>	<u>-</u>	<u>103,841</u>	<u>96,824</u>
		<u>236,428</u>	<u>-</u>	<u>-</u>	<u>236,428</u>	<u>213,005</u>
<i>Expenditure on Charitable activities</i>						
Teaching		5,389,238	-	-	5,389,238	4,937,503
Welfare staff costs		1,060,729	-	-	1,060,729	973,046
Premises & other occupancy costs		1,059,384	9,010	-	1,068,394	986,428
Support costs	5a	1,177,645	-	-	1,177,645	1,111,800
Management & administration		<u>368,539</u>	<u>-</u>	<u>78</u>	<u>368,617</u>	<u>349,429</u>
		<u>9,055,535</u>	<u>9,010</u>	<u>78</u>	<u>9,064,623</u>	<u>8,358,206</u>
Governance Costs		<u>9,714</u>	<u>-</u>	<u>-</u>	<u>9,714</u>	<u>11,383</u>
Total expenditure	5	<u>9,301,677</u>	<u>9,010</u>	<u>78</u>	<u>9,310,765</u>	<u>8,582,594</u>
Net expenditure		134,328	(9,010)	-	125,318	(112,191)
Investment gains		-	-	-	-	-
Net movement in funds		134,328	(9,010)	-	125,318	(112,191)
Fund balance at 1 August 2021		<u>3,885,863</u>	<u>815,625</u>	<u>227,811</u>	<u>4,929,299</u>	<u>5,041,490</u>
Fund balance at 31 July 2022	16	<u>4,020,191</u>	<u>806,615</u>	<u>227,811</u>	<u>5,054,617</u>	<u>4,929,299</u>

**KIRKHAM GRAMMAR SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 JULY 2022

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

- All amounts derive from continuing activities
- All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 25 to 34 form part of these financial statements

KIRKHAM GRAMMAR SCHOOL

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2022

	Notes	£	2022 £	£	2021 £
Fixed Assets					
Tangible assets	7		7,648,078		7,859,723
Investments	8/9		<u>335,000</u>		<u>335,000</u>
			7,983,078		8,194,723
Current assets					
Stocks	10	81,758		67,014	
Debtors: amounts due within one year	11	669,121		543,009	
Cash at bank and in hand		<u>113,535</u>		<u>344,341</u>	
		864,414		954,364	
Creditors:					
Amounts falling due within one year	12	<u>(1,305,877)</u>		<u>(1,638,226)</u>	
Net current (liabilities)			<u>(441,463)</u>		<u>(683,862)</u>
Total assets less current liabilities			7,541,615		7,510,861
Creditors:					
Amounts falling due after more than one year	12		<u>(2,486,998)</u>		<u>(2,581,562)</u>
Net assets			<u>5,054,617</u>		<u>4,929,299</u>
Capital funds					
Endowments	13		227,811		227,811
Income funds					
Restricted funds	14		806,615		815,625
Unrestricted funds					
Other charitable funds	16		3,997,997		3,863,583
Non-charitable trading funds	15		<u>22,194</u>		<u>22,280</u>
			<u>5,054,617</u>		<u>4,929,299</u>

The accounts were approved by the Governors on

DocuSigned by:

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J E S Kollard
 Chairman of Finance

Company Registration No. 06195985

The notes on pages 25 to 34 form part of these financial statements

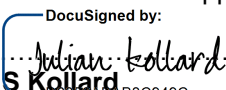
KIRKHAM GRAMMAR SCHOOL

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2022

	Notes	£	2022 £	£	2021 £
Fixed Assets					
Tangible assets	7		7,647,596		7,858,759
Investments	8/9		<u>416,810</u>		<u>416,810</u>
			8,064,406		8,275,569
Current assets					
Stocks	10	4,339		3,239	
Debtors: amounts due within one year	11	668,654		542,012	
Cash at bank and in hand		<u>88,220</u>		<u>302,314</u>	
		761,213		847,565	
Creditors					
Amounts falling due within one year	12	<u>(1,306,199)</u>		<u>(1,634,553)</u>	
Net current (liabilities)			(544,986)		(786,988)
Total assets less current liabilities			7,519,420		7,488,581
Creditors					
Amounts falling due after more than one year	12		<u>(2,486,998)</u>		<u>(2,581,562)</u>
			<u>5,032,422</u>		<u>4,907,019</u>
Income funds					
Restricted funds	14		806,615		815,625
Unrestricted funds					
Other charitable funds	16		<u>4,225,807</u>		<u>4,091,394</u>
			<u>5,032,422</u>		<u>4,907,019</u>

The accounts were approved by the Governors on

DocuSigned by:

J E S Kollard
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 Chairman of Finance

Company Registration No. 06195985

The notes on pages 25 to 34 form part of these financial statements

KIRKHAM GRAMMAR SCHOOL

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	£	2022 £	£	2021 £
Cash flow from operating activities					
Cash generated/(absorbed by) from operations	17		67,761		548,672
Interest paid			<u>(103,841)</u>		<u>(96,824)</u>
Net cash (out)/inflow from operating activities			(36,080)		451,848
Investing activities					
Purchase of tangible fixed assets		(100,598)		(121,093)	
Investment income		<u>436</u>		<u>5,920</u>	
Net cash used in investing activities			(100,162)		(115,173)
Financing activities					
Proceeds from bank loan		-		-	
Repayment of bank loans		<u>(94,564)</u>		<u>(193,403)</u>	
Net cash used in financing activities			(94,564)		(193,403)
Net increase/ (decrease) in cash & cash equivalents			(230,806)		143,272
Cash and cash equivalents at beginning of year			<u>344,341</u>		<u>201,069</u>
			<u>113,535</u>		<u>344,341</u>
Cash at bank			113,535		344,341
Bank Overdraft			<u>-</u>		<u>-</u>
			<u>113,535</u>		<u>344,341</u>

The notes on pages 24 to 33 form part of these financial statements

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

1. School Fees	2022 £	2021 £
Gross fees	11,340,465	10,267,403
Less total bursaries, grants and allowances	<u>(2,676,188)</u>	<u>(2,505,319)</u>
	<u>8,664,277</u>	<u>7,762,084</u>

2. Other Income	2022 £	2021 £
Charitable activities		
Entrance and registration fees	<u>6,510</u>	<u>7,889</u>
Other activities to generate funds		
Lettings and other income	<u>611,941</u>	<u>444,330</u>
Other incoming resources		
Other	<u>7,856</u>	<u>114,658</u>
Total other income	<u>626,307</u>	<u>566,877</u>

3. Income from subsidiary's trading activities

The School owns the whole of the ordinary share capital, consisting of £81,810 (2021: £81,810) ordinary shares of £1 each, of Wrea Services Limited, which sells goods relating to the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2022 £	2021 £
Turnover	145,063	134,276
Cost of sales	<u>(103,546)</u>	<u>(92,517)</u>
Gross profit	41,517	41,759
Other income	-	1,246
Administration costs	(41,517)	(42,925)
Interest receivable	-	-
Taxation	<u>(86)</u>	<u>(212)</u>
Net loss	<u><u>(86)</u></u>	<u><u>(132)</u></u>

The total trading expenses for the subsidiary were £145,063 (2021: £135,442) and included £12,562 (2021: £19,473) in respect of Gift Aid donated to Kirkham Grammar School.

The subsidiary had net assets at 31 July 2022 of £104,004 (2021: £104,090).

4. Investment Income	2022 £	2021 £
Interest on cash deposits held for investment	436	101
Rental income	<u>-</u>	<u>5,819</u>
	<u>436</u>	<u>5,920</u>

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

5. Analysis of Total Resources Expended	Staff costs £	Other costs £	Depreciation £	Total 2022 £	Total 2021 £
Charitable activities					
Teaching	5,389,238	-	-	5,389,238	4,937,503
Welfare staff costs	1,060,729	-	-	1,060,729	973,046
Premises and other occupancy costs	-	756,836	311,561	1,068,397	986,428
Support costs (see note 5a)	54,406	1,123,239	-	1,177,645	1,111,800
Management and administration	<u>249,238</u>	<u>119,379</u>	-	<u>368,617</u>	<u>349,429</u>
	6,753,611	1,999,454	311,561	9,064,626	8,358,206
Governance costs	-	9,714	-	9,714	11,383
Costs of generating funds					
Financing costs	-	<u>103,841</u>	-	<u>103,841</u>	<u>96,824</u>
	6,753,611	2,113,009	311,561	9,178,181	8,466,413
Total for charity					
Trading costs of the subsidiary	<u>22,502</u>	<u>109,603</u>	<u>482</u>	<u>132,587</u>	<u>116,181</u>
Total for group	<u>6,776,113</u>	<u>2,222,612</u>	<u>312,043</u>	<u>9,310,768</u>	<u>8,582,594</u>

5a. Analysis of Support Costs	Allocation of support costs to activities		
	Staff costs	Allocated to Other costs	Depreciation
Support costs	£	£	£
Education supplies and services	-	397,455	-
Other supplies and services	<u>54,406</u>	<u>725,784</u>	-
Total	<u>54,406</u>	<u>1,123,239</u>	-

6. Employees

	2022 £	2021 £
Wages and salaries	5,014,965	4,633,736
Social security costs	500,652	441,406
Other pension costs	<u>967,126</u>	<u>914,975</u>
	<u>6,482,743</u>	<u>5,990,117</u>

	Number	Number
£60,001 - £70,000	3	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001	<u>1</u>	<u>1</u>
	<u>5</u>	<u>4</u>
The average monthly number of employees during the year was:		
Educational services and supplies	164	165
Management and administration of the charity	<u>18</u>	<u>18</u>
	<u>182</u>	<u>183</u>

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

6. Employees (Continued)

Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £826,531 (2021: £775,906) and at the year-end £96,017 (2021: £95,057) was accrued in respect of total contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pensions Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations by the Government Actuary's Department. Employers are currently required to pay a scheme administration levy of 0.08% giving a total employer contribution of 16.48%.

From 1st September 2019 employer contributions increased to 23.68%, an increase in the region of £20k per month.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustees administered funds.

FRS102

Under the definitions set out in FRS 102 (Post Employment Benefits), the TPS and LGPS are multi-employer pension schemes. The School is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, the school has accounted for its contributions as if they were defined contribution schemes.

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

7. Tangible fixed assets

Group	Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2021	11,256,440	3,496,864	60,633	14,813,937
Additions	-	100,598	-	100,598
At 31 July 2022	11,256,440	3,597,462	60,633	14,914,535
Depreciation				
At 1 August 2021	3,652,460	3,241,121	60,633	6,954,214
Charge for the year	203,302	108,941	-	312,243
At 31 July 2022	3,855,762	3,350,062	60,633	7,266,457
Net Book Value				
At 31 July 2022	7,400,678	247,400	-	7,648,078
At 31 July 2021	7,603,980	255,743	-	7,859,723

Net book value at 31 July 2022 represents fixed assets used for:

	Freehold Land and Buildings £	Furniture and Equipment £	Motor Vehicles £	Total 2022 £	Total 2021 £
Direct charitable purposes	6,672,612	246,918	-	6,919,530	7,110,639
Other purposes:	728,066	-	-	728,066	748,120
Hire of facilities	-	482	-	482	964
Used by subsidiary company	-	-	-	-	-
	<u>7,400,678</u>	<u>247,400</u>	<u>-</u>	<u>7,648,078</u>	<u>7,859,723</u>

An amount of £728,066 (2021: £748,120) represents the total net book value of assets which are only part used for other purposes, their main use being in connection with direct charitable purposes.

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

7. Tangible fixed assets (continued)

School	Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2021	11,256,440	3,494,455	60,633	14,811,528
Additions	-	100,598	-	100,598
At 31 July 2022	11,256,440	3,595,053	60,633	14,912,126
Depreciation				
At 1 August 2021	3,652,460	3,239,676	60,633	6,952,769
Charge for the year	203,302	108,459	-	311,761
At 31 July 2022	3,855,762	3,348,135	60,633	7,264,530
Net Book Value				
At 31 July 2022	7,400,678	246,918	-	7,647,596
At 31 July 2021	7,603,980	254,779	-	7,858,759

8. Tangible Fixed Assets Group and School

	Investment Property £
Cost or valuation	
At 1 August 2021	335,000
At 31 July 2022	335,000
Net Book Value	
At 31 July 2022	335,000
At 31 July 2021	335,000

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

9. Fixed asset investments

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertakings			
Wrea Services Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principle activities	Capital & Reserves £	Profit/(loss) For the year £
Wrea Services Limited	Ancillary trading association with a Grammar School	<u>104,004</u>	<u>(86)</u>

10. Stocks	Group 2022 £	Group 2021 £	School 2022 £	School 2021 £
Finished goods and goods for resale	<u>81,758</u>	<u>67,014</u>	<u>4,339</u>	<u>3,239</u>

11. Debtors	Group 2022 £	Group 2021 £	School 2022 £	School 2021 £
Trade debtors	512,428	408,105	512,428	408,105
Other debtors	5,323	10,647	4,856	9,650
Prepayments & accrued income	<u>151,370</u>	<u>124,257</u>	<u>151,370</u>	<u>124,257</u>
	<u>669,121</u>	<u>543,009</u>	<u>668,654</u>	<u>542,012</u>

12. Creditors	Group 2022 £	Group 2021 £	School 2022 £	School 2021 £
a: Amounts falling due within one year				
Bank loans and overdrafts	104,569	101,523	104,569	101,523
Trade creditors	192,710	256,104	174,652	241,083
Other taxation and social security	236,459	227,631	236,033	227,165
Other creditors	748,681	1,006,605	747,631	1,005,555
Accruals	23,458	46,363	21,547	44,371
Amounts owed to group undertaking	-	-	21,767	14,856
	<u>1,305,877</u>	<u>1,638,226</u>	<u>1,306,199</u>	<u>1,634,553</u>

Bank loans and overdrafts are secured by a first legal mortgage over the freehold property of the School.

b: Creditors: amounts falling due after more than one year	Group 2022 £	Group 2021 £	School 2022 £	School 2021 £
Bank loans	<u>2,486,998</u>	<u>2,581,562</u>	<u>2,486,998</u>	<u>2,581,562</u>

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

12. Creditors (Continued)	2022	2021
c: Amounts of borrowings by year of repayment	£	£
Bank loans and overdrafts fall due for repayment:		
Within one year	104,569	101,523
Between one and two years	107,707	104,569
Between two and five years	342,901	332,912
After more than five years	<u>2,036,390</u>	<u>2,144,081</u>
	<u>2,591,567</u>	<u>2,683,085</u>

Bank loans and overdrafts secured by a first legal mortgage over the freehold property of the School.

The following information is provided in respect of loans, any repayments of which fall due after more than five years from the balance sheet date:-

At the balance sheet date, the aggregate amount payable in respect of such loans was £2,591,567 (2021: £2,683,085) all of which amounts are repayable by instalments.

In respect of such loans repayable by instalments, instalments amounting to £2,036,390 (2021: £2,144,081) fall due after more than five years.

The loan is repayable over 14.5 years, with interest charged at 1% over LIBOR. The repayment date is December 2027.

13. Endowments Group	Balance at 01.08.21	Incoming Resources	Movements in funds Gains/(loss) & Transfers	Balance at 31.07.22
	£	£	£	£
Permanent Endowments				
(Bursary) Investments	67,470	-	-	67,470
George R Hall	15,892	-	-	15,892
Katie Cane	<u>144,449</u>	<u>-</u>	<u>-</u>	<u>144,449</u>
	<u>227,811</u>	<u>-</u>	<u>-</u>	<u>227,811</u>

14. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes:

	Balance at 01.08.21	Incoming resources	Resources Expended	Balance at 31.07.22
	£	£	£	£
1986 Appeal – Multipurpose Hall	109,600	-	-	109,600
1985 Appeal – Technology Centre	310,533	-	(6,483)	304,050
2001 Appeal – Science Block and Classrooms	116,047	-	(2,527)	113,520
Drama Studio	158,926	-	-	158,926
Wish List	9,678	-	-	9,678
The Waite Building	41,250	-	-	41,250
FKGS Hockey goal posts	2,051	-	-	2,051
FKGS SLH refurbishment	18,000	-	-	18,000
Bursary Funds				
Wolfson	<u>49,540</u>	<u>-</u>	<u>-</u>	<u>49,540</u>
	<u>815,625</u>	<u>-</u>	<u>(9,010)</u>	<u>806,615</u>

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

15. Non-Charitable trading funds

Group	Balance at 01.08.21 £	Profit for the year £	Balance at 31.07.22 £
Trading profit of subsidiary undertaking	<u>22,280</u>	<u>(86)</u>	<u>22,194</u>

16. Analysis of net assets between funds

Group	Unrestricted Funds £	Development Appeal 1995 & 2011 Fund £	Other Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31.07.22 are represented by:					
Tangible fixed assets	6,613,652	417,570	389,045	227,811	7,648,078
Investments	335,000	-	-	-	335,000
Current assets	864,414	-	-	-	864,414
Current liabilities	(1,305,877)	-	-	-	(1,305,877)
Long term liabilities	<u>(2,486,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,486,998)</u>
Total Net Assets	<u>4,020,191</u>	<u>417,570</u>	<u>389,045</u>	<u>227,811</u>	<u>5,054,617</u>
Unrealised gains incl above					
On investments assets			-	-	-
Total unrealised gains at 31.07.22			<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of movements in unrealised gains on investment assets					
Unrealised gains at 01.08.21			16,055	80,856	96,911
Add: Net gain arising on revaluation in year			<u>-</u>	<u>-</u>	<u>-</u>
Unrealised gains at 31.07.22			<u>16,055</u>	<u>80,856</u>	<u>96,911</u>

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

16. Analysis of net assets between funds (Continued)

School	Unrestricted Funds £	Development Appeal 1995 & 2011 Fund £	Other Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31.07.22 are represented by:					
Tangible fixed assets	6,613,170	417,570	389,045	227,811	7,647,596
Investments	416,810	-	-	-	416,810
Current assets	761,213	-	-	-	761,213
Current liabilities	(1,306,199)	-	-	-	(1,306,199)
Long term liabilities	(2,486,998)	-	-	-	(2,486,998)
Total Net Assets	<u>3,997,997</u>	<u>417,570</u>	<u>389,045</u>	<u>227,811</u>	<u>5,032,422</u>
Unrealised gains incl above					
On investments assets			-	-	-
Total unrealised gains at 31.07.22			-	-	-
Reconciliation of movements in unrealised gains on investment assets					
Unrealised gains at 01.08.21			16,055	80,856	96,911
Add: Net profit arising on revaluation in year			-	-	-
Unrealised gains at 31.07.22			<u>16,055</u>	<u>80,856</u>	<u>96,911</u>

17. Cash generated from operations

	2022 £	2021 £
Net incoming resources	125,318	(112,191)
Adjustment for:		
Finance costs	103,841	96,824
Investment income	(436)	(5,920)
Gain on investment property	-	-
Depreciation & impairment of tangible fixed assets	312,243	329,315
Movements in working capital		
(Increase)/decrease in stock	(14,744)	(2,444)
(Increase)/decrease in debtors	(126,112)	78,381
Increase/(decrease) in creditors	(332,349)	164,707
Cash generated/(absorbed by) from operations	<u>67,761</u>	<u>548,672</u>

KIRKHAM GRAMMAR SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

18. Operating Lease Commitments

Group and Foundation

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year.

	Equipment 2022 £	Equipment 2021 £
Expiring:		
Within one year	51,228	52,661
Within two to five years	<u>100,901</u>	<u>152,129</u>
	<u>152,129</u>	<u>204,790</u>

19. Transactions with Governors and Connected Persons

The aggregate amount of travel expenses reimbursed to various Governors during the year was £Nil (2021: £Nil).

20. Control

The School was under the control of its Board of Governors throughout this and the previous period.

21. Related party disclosures

The company and group have taken advantage of the exemption available in FRS102 reduced disclosure framework whereby it has not disclosed transactions between group companies which cancel on consolidation.

22. Net incoming resources

As permitted by Section 408 Companies Act 2006, the holding company's statement of financial activities has not been included in these financial statements. The net incoming resources for the financial year is made up as follows:

	2022 £	2021 £
Holding Company's net incoming resources for the financial year	<u>125,404</u>	<u>(112,059)</u>