

LANCASTER ROYAL GRAMMAR SCHOOL CHARITY

England & Wales · Charity number 526602

Details

Other names BOARDING FUND, DEVELOPMENT FUND

Status Registered

Legal form Other

Registered 1964-09-08

Register [View on the Charity Commission register](#)

Contact

Address Lancaster Royal Grammar School
East Road
Lancaster
LA1 3EF

Phone 01524 580600

Email rthomas@lrgs.org.uk

Website www.lrgs.org.uk

Activities

Objects: (1) THE TRUSTEES SHALL APPLY THE INCOME OF THE SCHOOL CHARITY IN ASSISTING THE GOVERNORS OF THE SCHOOL IN PROMOTING THE EDUCATION OF THE PUPILS THEREAT IN ONE OR MORE OF FOLLOWING WAYS AS THE TRUSTEES SHALL THINK FIT:(A) IN ASSISTING THE SAID GOVERNORS TO DISCHARGE THEIR OBLIGATIONS UNDER THE SAID EDUCATION ACTS WITH RESPECT TO THE MAINTENANCE OF THE SCHOOL;(B) IN PROVIDING EQUIPMENT AND OTHER ITEMS. SERVICES AND FACILITIES FOR AND THEREBY ADVANCE EDUCATION AT THE SCHOOL.(2) IN APPLYING THE INCOME OF THE SCHOOL CHARITY THE TRUSTEES SHALL NOT RELIEVE RATES, TAXES OR OTHER PUBLIC FUNDS.

Activities: TO ASSIST THE GOVENORS OF THE LANCASTER ROYAL GRAMMAR SCHOOL IN PROMOTING THE EDUCATION OF THE PUPILS THEREIN.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport
- **Who:** Children/young People

Geography

- **Area of benefit:** CITY AND BOROUGH OF LANCASTER
- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£927,958	£174,315	£2,679,587	0
2023-08-31	£420,377	£245,929	-	-
2022-08-31	£483,307	£281,025	-	-
2021-08-31	£381,304	£269,248	-	-
2020-08-31	£375,755	£300,182	-	-

Trustees

Name	Role	Appointed
ANTHONY RICKARDS COLLINSON		2017-09-29
Col Retd Robin Geoffrey Jackson		2022-12-12
Donald John Wilkinson		2023-06-30
Howard Roberts		2022-12-12
Michael John Fisher		2019-04-05
Peter Vincent Dyer		2022-12-12
RODERICK ALEXANDER DRAKE BURGESS		2024-03-15
Stephen James quick		2024-06-13
WENDY PRESTON		2022-02-23

Linked charities

- GEORGE HAMER BRIGGS BEQUEST (526602-1)
- JUNIOR DEBATING PRIZE (526602-10)
- THE CHRISTOPHER KNOWLES PRIZE (526602-11)
- THE REVEREND FRANK ALAN CLIFF AND DOCTOR KENNETH STEPHENSON CLIFF PRIZE (526602-12)
- THE WILLIAM GODFREY EATON PRIZE (526602-13)
- ARTHUR HUCK PRIZE (526602-14)
- THE CECIL RHODES ARMITAGE PRIZE FOR NATURAL SCIENCE (526602-15)
- THE FIFTH FORM PRIZE (526602-16)
- THE CHRISTOPHER KNOWLES PRIZE (526602-17)
- OLD LANCASTRIAN SIXTH FORM ENGLISH PRIZE (526602-18)
- PROFESSOR OGLESBY PRIZE FOR PROGRESS IN THE UPPER SCHOOL (526602-19)
- THE MARGARET PETTITT MEMORIAL PRIZE (526602-2)
- THE THIRD WORLD DEVELOPMENT PRIZE (526602-20)
- THE ALBERT HENDERSON OLD LANCASTERIAN PRIZE FOR PROGRESS AND EFFORT IN THE LOWER SCHOOL (526602-21)
- ROBERT COATES PRIZE (526602-3)
- CUNLIFFE PRIZE FUND FOR MUSIC (526602-4)
- THE WESTMORLAND TENNIS PRIZE (526602-5)
- THE ROWBOTHAM ATHLETICS PRIZE (526602-6)
- GREG HOLDCROFT PRIZE FUND (526602-7)
- JOHN L SPENCER MUSIC PRIZE (526602-8)
- NIGEL MOUNSEY PRIZE (526602-9)

LANCASTER ROYAL GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 526602

Accounts

Lancaster Royal Grammar School Charity

Unaudited Financial Statements for the year ended 31 August 2024

Charity Registration Number: 526602

Lancaster Royal Grammar School Charity

Financial Statements

For the year ended 31 August 2024

Contents	Page:
Trustees report	1
Independent Examiners' Report	5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the financial statements	8

Lancaster Royal Grammar School Charity

Officers and Professional Advisors

Trustees

Mr A R Collinson
Mr M Fisher
Mrs W Preston
Mr P Dyer
Dr R Jackson
Mr H Roberts
Mr Donald Wilkinson
Mr Rod Burgess (appointed 15 March 2024)
Mr Steven Quick (appointed 13 June 2024)

Headmaster

Dr C Pyle

Administrator

Mrs C Lodge

Registered Office

East Road
Lancaster
LA1 3EF

Independent examiners

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

Bankers

Yorkshire Bank
45 Penny Street
Lancaster
LA1 1UE

Barclays Bank Plc
Market Street
Lancaster
LA1 1HR

National Westminster Bank Plc
68 Church Street
Lancaster
LA1 1LN

Solicitors

Blackhurst Swainson Goodier
3 & 4 Aalborg Square
Lancaster
LA1 1BJ

Lancaster Royal Grammar School Charity

Report of the Trustees

For the year ended 31 August 2024

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Lancaster Royal Grammar School Charity is a registered charity (No 526602) and is administered in accordance with a Trust Scheme. The Trustees, administrator and professional advisers are listed on the previous page.

Methods adopted for the recruitment and appointment of new trustees

When there is a need for new trustees the existing trustees look to select suitable candidates who, through past experience and qualification, would continue the policy of enabling a broad input to their decision making.

Policies and procedures adopted for the induction and training of trustees

Policies and procedures are in place for the induction and training of new Trustees. However, in recognition of the vast experience which is evident amongst the current Trustees, there are no plans for the training of Trustees at present. The Trustees are aware that if the need arises, they will of course arrange such training to be carried out.

Organisational structure

The Trustees who have served during the year are set within the officers and professional advisors. The Trustees are appointed in accordance with the 1992 Trust Scheme sealed by the Charity Commissioners on 10 September 1992 and they also administered during the year the following connected registered charities:-

Charity Name	Charity Number
The LRGS Prizes Charity	1090614
The LRGS Boarding Charity	1090615

The Charity is also connected with Lancaster Royal Grammar School, which has been an Academy school since the 15 April 2011.

The trustees are responsible for the overall management of the Charity and meet at least two times a year.

The governance of the school's activities is vested with the Trust Board who discharge their duties in accordance with government legislation, DfE and ESFA guidance.

Risk management

The Board of Trustees is responsible for the management of risk faced by the Charity. The significant risks to the Charity arise from the school's day to day operation. The Trustees, through overview of the Governing Body, ensures that risks are identified, assessed and controls introduced as required.

The Trustees examine the major risks that the Charity faces each financial year to ensure the continued success of the school and hence the Charity.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2024

OBJECTIVES AND ACTIVITIES

Summary of the objects set out in the governing document

The object of the charity is to assist the Trustees of Lancaster Royal Grammar School in promoting the education of pupils therein.

With this objective the Charity aims to improve the standard of education provided by the school by improving the general school buildings and so aid those pupils who require additional assistance to develop their full potential.

Charity's aims and main activities in relation to these objects

The principal activity of the Charity during the year was to run development appeals to raise monies for the upkeep and improvement of the general school facilities and for the school initiatives which help pupils to take full advantage of the educational opportunities available to them.

Public Benefit

When planning the activities for the year, the Trustees have considered the Commissions guidance on Public Benefit.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements of the charity during the year

The Charity received donations and gifts of £694,186 (2023: £224,813). This income is designated to be spent on the improvement of the facilities and buildings used by the school and to aid pupils to develop their full potential.

During the year the Charity made grants to the school of £87,027 (2023: £148,793). These were used by the school to fund extracurricular activities, school initiatives to aid pupils' learning and scholarships to relieve the hardship where the pupil's education and future prospects would otherwise be at risk.

COVID-19 implications

Rental income in the period was £50,009 (2023: £18,934). Rental of the facilities had not been possible during the COVID-19 period but has now returned to normal levels.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2024

FINANCIAL REVIEW

Review of financial position of the charity

The Charity's total funds increased by £754,005 (2023: £174,361) during the year, this was after grants made totalling £87,027 (2023: £148,793). The financial performance of the charity during the year is considered satisfactory and the future prospects of the Charity are considered good.

As in the previous accounting period a peppercorn rental was applied to all buildings with the exception of the boarding facilities where the charity charged a rental of £175,000. This can however be waived or partial remission be given at the discretion of the Trustees. The remaining rental income shown in the accounts was from lets to outside organisations during the school holidays.

The Trustees review available funds and borrowings on a regular basis. The Charities policy is to place available funds in low risk investments and to ensure that borrowings for capital purposes can be financed from future income.

Statement of the charity's policy on reserves

The Charity holds reserves to support Lancaster Royal Grammar School in promoting the education of the pupils therein. Funding from other sources may not always meet the school's needs and the Charity seeks to maintain reserves to supplement other sources when required.

Reserves in the charity at 31st August 2024 were £2,679,587 (2023: £1,925,582)

Principal financial management policies adopted

The trustees review the management accounts of the charity on a regular basis.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The income is generated from the following sources:

- Rental income
- Donations
- Dividend income from the investment portfolios
- Bank interest

Expenditure in the form of grants to the school was used to:

- fund capital works for facilities to improve the education of the pupils
- fund extra-curricular activities for the students; and
- provide funds to students to relieve hardship.

Plans for future periods

The Charity aims to continue to generate funds from development appeals and to continue its policy of improving the general school buildings, to enable a full and wide curriculum to be delivered by the school, to provide extracurricular opportunities for all pupils and to give aid to pupils who need help to achieve their full potential.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2024

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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 applicable Charities SORP;
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by order of the Trustees



Mr H Roberts

Approved by the trustees on 13 March 2025

Lancaster Royal Grammar School Charity

Independent Examiner's Report to the Trustees of Lancaster Royal Grammar School Charity

For the year ended 31 August 2024

I report to the trustees on my examination of the accounts of Lancaster Royal Grammar School Charity ('the charity') for the year ended 31 August 2024.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Darren Little ACA
Independent Examiner

The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Date: 13 March 2025

Lancaster Royal Grammar School Charity

Statement of Financial Activities

For the year ended 31 August 2024

	Note	Endowment £	Unrestricted £	Year to August 2024 Total £	Year to August 2023 Total £
Incoming resources					
Income from generated funds					
Income from donations, legacies and grant income	3		694,186	694,186	224,813
Income from other trading activities	4	225,009		225,009	193,934
Investment income	5	8,763		8,763	1,630
Total incoming resources		233,772	694,186	927,958	420,377
Resources expended					
Cost of raising funds					
Cost of generating voluntary income	6		56,085	56,085	51,353
Costs for generating funds:					
Mortgage Interest		31,153		31,153	45,783
		31,153	56,085	87,238	97,136
Corporation Tax		-	-	-	-
Expenditure on Charitable activities	7	50	87,027	87,077	148,793
Total resources expended		31,203	143,112	174,315	245,929
Net incoming/(outgoing) resources before transfers		202,569	551,074	753,643	174,448
Transfers		(29,365)	29,365	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		173,204	580,439	753,643	174,448
Net Realised/Unrealised gains/(losses) on investments		362	-	362	(87)
Net movement in funds		173,566	580,439	754,005	174,361
Reconciliation of funds					
Total funds brought forward at 1 September 2023		1,807,771	117,811	1,925,582	1,751,221
Total funds carried forward at 31 August 2024		1,981,337	698,250	2,679,587	1,925,582

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Statement of Financial Position

For the year ended 31 August 2024

	Note	Year to August 2024 Total £	Year to August 2023 Total £
Fixed assets	8	2,500,000	2,500,000
Investments	9	4,784	4,422
Current Assets			
Debtors	10	36,252	23,143
Cash at bank		698,340	273,964
		<u>734,592</u>	<u>297,107</u>
Creditors falling due within one year	11	<u>(150,956)</u>	<u>(325,452)</u>
Net current assets / (liabilities)		583,636	(28,345)
Total assets less current liabilities		3,088,420	2,476,077
Creditors falling due after one year	12	<u>(408,833)</u>	<u>(550,495)</u>
Net assets		<u>2,679,587</u>	<u>1,925,582</u>
Represented by			
Endowment fund	13	1,981,337	1,807,771
Development appeal fund	13	667,381	99,381
Sedgwick request for works of art	13	131	131
Lune scholarship	13	27,864	12,505
Opportunities fund	13	2,874	5,794
		<u>2,679,587</u>	<u>1,925,582</u>

These financial statements were approved by the Trustees and authorised for issue on 13 March 2025 and are signed on behalf of the board by:



Mr H Roberts
Trustee

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

1 ACCOUNTING POLICIES

General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is East Road, Lancaster, LA1 3EF.

Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The trust meets the definition of a public benefit entity under FRS102.

Going concern

The fundraising activities of the charity have been reduced due to the pandemic. The Going Concern Status of the Charity is closely linked to that of the Lancaster Royal Grammar School. The School is currently in receipt of financial support from the ESFA following the impact of Covid related restrictions on its boarding activities. The Trustees have carefully considered the cash requirements of the Charity and the School for the foreseeable future taking into account current resources and concluded that the Charity has adequate resources to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular reasons. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those that are available for use at the discretion of the trustees in the furtherance of supporting Lancaster Royal Grammar School. The aim and use of the endowment fund is set out in the notes to the financial statements.

Incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource and will be credited to unrestricted funds unless the donor wishes restrictions to be placed.

Investment income and rental income

Income from investments and from rental income is included in the SOFA in the year in which it is receivable. On the 15 April 2011 Lancaster Royal Grammar School became an academy and at this point the trade and assets of the boarding account were transferred from the Charity to the academy. Since the 15 April 2011 an annual rental for the boarding facilities is charged by the Charity. The annual rental is £175,000. The Charity has the right to waive such rental costs should it choose to do so.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Charity is not registered for VAT.

Tangible fixed assets

Until March 1979 neither the original cost nor improvements to freehold land and buildings were capitalised because the buildings are historic, inalienable and form part of a permanent endowment.

As at the 15 April 2011, Lancaster Royal Grammar School converted to academy status and a 125 year lease was signed between the Charity and Academy. Due to the nature of this lease agreement, the risks and rewards of property ownership were inherited by the Academy and applicable accounting standards dictate the value of these assets is transferred to the Academy. Prior to this transfer the buildings were re-valued using the insurance valuation per the 2011 policy.

The freehold land was also re-valued at the point of conversion to £2,500,000 which the trustees believe better reflects the value of the land owned by the Charity. It has then been carried at deemed cost from this date.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

Investments

Investments are included at market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 notes. Prepayments are not financial instruments.

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. 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.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

2 Net income/(expenditure) for the year includes:

	2024	2023
Staff costs	35,486	35,319
Independent examination	3,306	3,696

3 Incoming resources from charitable activities

	2024	2023
Covenants/Gift Aid Donations	128,840	166,315
Income Tax Recoverable	17,664	24,090
Inspirus Project Donations	60	14,158
Legacies	547,622	20,250
	<u>694,186</u>	<u>224,813</u>

4 Income from other trading activities

	2024	2023
Rental income – LRGS	175,000	175,000
Rental income	50,009	18,934
	<u>225,009</u>	<u>193,934</u>

5 Investment income

	2024	2023
COIF Dividends	947	645
Bank interest	7,816	985
	<u>8,763</u>	<u>1,630</u>

6 Cost of Generating Voluntary income

	2024	2023
Staff costs	35,486	36,120
Travel, Accommodation and Hospitality	8,321	2,330
Other costs	8,792	7,909
Accounting Services	3,306	4,994
	<u>55,905</u>	<u>51,353</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

7 Charitable activities

	2024	2023
Grants made to school in respect of:		
- Donation toward the School	-	50,217
- Donations toward School equipment	934	-
- Donations toward Rowing Equipment	-	4,717
- Pupils Scholarships via Lune Scholarship	6,722	9,827
- InspirUS Costs	29,587	26,476
- Extra Curricular / Annual Fund	46,684	52,457
- Bursaries	180	350
- Opportunities Fund	2,920	4,249
- Donations of Lettings Income	50	-
- Classics Funding	-	500
	<u>87,077</u>	<u>148,793</u>

8 Tangible Fixed Assets

	Freehold Land & Buildings	Total
At cost		
Balance at 1 September 2023	2,500,000	2,500,000
Additions	-	-
Disposals	-	-
Balance at 31 August 2024	<u>2,500,000</u>	<u>2,500,000</u>
Depreciation		
Balance at 1 September 2023	-	-
Depreciation charge year	-	-
Balance at 31 August 2024	<u>-</u>	<u>-</u>
Net book value		
At 31 August 2024	<u>2,500,000</u>	<u>2,500,000</u>
At 31 August 2023	<u>2,500,000</u>	<u>2,500,000</u>

As discussed within the accounting policy note, the buildings have been re-valued using the 2011 insurance policy before their transfer to Lancaster Royal Grammar School Academy. The residual balance of £2,500,000 relates wholly to non-depreciable land held by the Charity.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

9 Investments

	235/11,939 COIF units	UK Equities	Total
Cost			
Balance at 1 September 2023	1,206	-	1,206
Additions in the year	-	-	-
Disposals in the year	-	-	-
Balance at 31 August 2024	<u>1,206</u>	<u>-</u>	<u>1,206</u>
Market value			
Balance at 1 September 2023	4,422	-	4,422
Additions in the year	-	-	-
Changes in the year	362	-	362
Balance at 31 August 2024	<u>4,784</u>	<u>-</u>	<u>4,784</u>

COIF Units are deposits in the COIF Charities Deposit Fund managed on the Charity's behalf by CCLA Investment Management Limited.

10 Debtors

	2024	2023
Rent on Summer Lets	28,545	-
Accrued legacy income	-	20,000
Accrued bank interest	4,299	-
Income tax on gift aid and covenants	3,408	3,143
	<u>36,252</u>	<u>23,143</u>

11 Creditors due within one year

	2024	2023
Bank loans	147,458	146,156
Amounts owed to LRGS	-	174,554
Trade creditors	138	1,382
Accruals and deferred income	3,360	3,360
Corporation Tax	-	-
	<u>150,956</u>	<u>325,452</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

12 Creditors falling due after one year

	2024	2023
Bank loans	408,833	550,495
Amounts owed to LRGS (note 15)	-	-
	<u>408,833</u>	<u>550,495</u>

£410,460 of the bank loan is secured by way of a legal charge over Gardyner House, Quernmore Road, Lancaster.

£145,831 of the bank loan is secured by way of a legal charge over Storey House, East Road, Lancaster.

None of the aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date.

The Barclays bank loan drawn down in August 2008 is repayable in 240 monthly instalments from the first drawdown date. Half of the loan is repayable at a fixed rate of 5.85% and the remaining half at 0.49% over the Barclays Bank variable rate.

The Yorkshire bank loan drawn down in July 2012 is repayable in 180 monthly instalments from the first drawdown date. Half the loan is repayable at a fixed rate of 4.91% and the remaining half at 2.5% over the 3 month BBA Sterling LIBOR rate.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

13 Funds

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2023	1,807,771	99,381	131	12,505	5,794	1,925,582
Net (outgoing)/ incoming resources	202,931	538,635	-	15,359	(2,920)	754,005
Transfers	(29,365)	29,365	-	-	-	-
	<u>1,981,337</u>	<u>667,381</u>	<u>131</u>	<u>27,864</u>	<u>2,874</u>	<u>2,679,587</u>

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

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2022	1,674,705	45,880	131	20,282	10,223	1,751,221
Net (outgoing)/ incoming resources	149,694	36,873	-	(7,777)	(4,429)	174,361
Transfers	(16,628)	16,628	-	-	-	-
	<u>1,807,771</u>	<u>99,381</u>	<u>131</u>	<u>12,505</u>	<u>5,794</u>	<u>1,925,582</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

FUND PURPOSES

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

Endowment Fund

This fund relates to servicing the loans on the boarding houses that are rented to Lancaster Royal Grammar School and to external groups during the school holidays.

Development Appeal Fund

This fund provides support to Lancaster Royal Grammar School for capital and revenue projects that support the education of the pupils at the school

Sedgwick Bequest for Works of Art

This fund supports the purchase and display of works of art for the encouragement of boys in their artistic endeavours.

Lune Scholarship

This fund supports boys from disadvantaged backgrounds with the provision of grants to enable them to attend the school and participate in a wide range of activities

Opportunities Fund

This fund supports boys from disadvantaged backgrounds to enable them to take a place on a school trip that will have a significant impact on their education.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

14 Analysis of group net assets between funds

Analysis of charity net assets between funds for 2024

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,784	-				4,784
Debtors	32,844	3,408				36,252
Cash at bank	-	667,471	131	27,864	2,874	698,340
Creditors	(556,291)	(3,498)				(559,789)
	<u>1,981,337</u>	<u>667,381</u>	<u>131</u>	<u>27,864</u>	<u>2,874</u>	<u>2,679,587</u>

Analysis of charity net assets between funds for 2023

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,422	-				4,422
Debtors	-	23,143				23,143
Cash at bank	-	255,534	131	12,505	5,794	273,964
Creditors	(696,651)	(179,296)				(875,947)
	<u>1,807,771</u>	<u>99,381</u>	<u>131</u>	<u>12,505</u>	<u>5,794</u>	<u>1,925,582</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2024

15 Related Party Transactions

The Charity has a number of related costs with the main school. Normally the school incurs the cost, and then a proportion of the cost is recharged to the Charity at a fair estimate.

All the staff costs of the Charity are recharges from the main school. The school employs all members of staff, and then recharges either their whole cost or a proportion of their cost, based on work undertaken for the Charity.

In the year £35,486 (2023: £36,120) in staff costs were recharged by the school to the Charity.

There was an average of 1 FTE staff recharges to the charity in the year (2023: 1)

The analysis of staff costs is shown below:

	2024	2023
Gross salaries	27,403	27,868
Social Security Costs	2,527	1,695
Superannuation	5,556	6,557
	<u>35,486</u>	<u>36,120</u>

The Charity has no actual employees of its own, due to this no employees had employee benefits in excess of £60,000 in this or the previous year, there was also no key personnel remuneration.

There was no trustee' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Included within creditors is an amount of £nil owed to the school (2023: £174,554). The Charity used a significant legacy to repay the school in full.

LANCASTER ROYAL GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 526602

Accounts

Lancaster Royal Grammar School Charity

Unaudited Financial Statements for the year ended 31 August 2023

Charity Registration Number: 526602

Lancaster Royal Grammar School Charity

Financial Statements

For the year ended 31 August 2023

Contents	Page:
Trustees report	1
Independent Examiners' Report	5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the financial statements	8

Lancaster Royal Grammar School Charity

Officers and Professional Advisors

Trustees	Prof M Alexander (Resigned June 2023) Mr A R Collinson Mr P Fitton (Resigned September 2022) Mr M Fisher Mrs W Preston Mr P Dyer (Appointed December 2022) Dr R Jackson (Appointed December 2022) Mr H Roberts (Appointed December 2022) Mr Donald Wilkinson (Appointed June 2023)
Headmaster	Dr C Pyle
Administrator	Mrs C Lodge
Registered Office	East Road Lancaster LA1 3EF
Independent examiners	Saint & Co The Old Police Station Church Street Ambleside Cumbria LA22 0BT
Bankers	Yorkshire Bank 45 Penny Street Lancaster LA1 1UE Barclays Bank Plc Market Street Lancaster LA1 1HR National Westminster Bank Plc 68 Church Street Lancaster LA1 1LN
Solicitors	Blackhurst Swainson Goodier 3 & 4 Aalborg Square Lancaster LA1 1BJ

Lancaster Royal Grammar School Charity

Report of the Trustees

For the year ended 31 August 2023

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Lancaster Royal Grammar School Charity is a registered charity (No 526602) and is administered in accordance with a Trust Scheme. The Trustees, administrator and professional advisers are listed on the previous page.

Methods adopted for the recruitment and appointment of new trustees

When there is a need for new trustees the existing trustees look to select suitable candidates who, through past experience and qualification, would continue the policy of enabling a broad input to their decision making.

Policies and procedures adopted for the induction and training of trustees

Policies and procedures are in place for the induction and training of new Trustees. However, in recognition of the vast experience which is evident amongst the current Trustees, there are no plans for the training of Trustees at present. The Trustees are aware that if the need arises, they will of course arrange such training to be carried out.

Organisational structure

The Trustees who have served during the year are set within the officers and professional advisors. The Trustees are appointed in accordance with the 1992 Trust Scheme sealed by the Charity Commissioners on 10 September 1992 and they also administered during the year the following connected registered charities:-

Charity Name	Charity Number
The LRGS Prizes Charity	1090614
The LRGS Boarding Charity	1090615
The LRGS Leaving Exhibition Charity (Closed Sept 2023)	1090829
The LRGS British School Scholarships Charity (closed Feb 2023)	1090834

The Charity is also connected with Lancaster Royal Grammar School, which has been an Academy school since the 15 April 2011.

The trustees are responsible for the overall management of the Charity and meet at least two times a year.

The governance of the school's activities is vested with the Trust Board who discharge their duties in accordance with government legislation, DfE and ESFA guidance.

Risk management

The Board of Trustees is responsible for the management of risk faced by the Charity. The significant risks to the Charity arise from the school's day to day operation. The Trustees, through overview of the Governing Body, ensures that risks are identified, assessed and controls introduced as required.

The Trustees examine the major risks that the Charity faces each financial year to ensure the continued success of the school and hence the Charity.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2023

OBJECTIVES AND ACTIVITIES

Summary of the objects set out in the governing document

The object of the charity is to assist the Trustees of Lancaster Royal Grammar School in promoting the education of pupils therein.

With this objective the Charity aims to improve the standard of education provided by the school by improving the general school buildings and so aid those pupils who require additional assistance to develop their full potential.

Charity's aims and main activities in relation to these objects

The principal activity of the Charity during the year was to run development appeals to raise monies for the upkeep and improvement of the general school facilities and for the school initiatives which help pupils to take full advantage of the educational opportunities available to them.

Public Benefit

When planning the activities for the year, the Trustees have considered the Commissions guidance on Public Benefit.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements of the charity during the year

The Charity received donations and gifts of £224,813 (2022: £308,137). This income is designated to be spent on the improvement of the facilities and buildings used by the school and to aid pupils to develop their full potential.

During the year the Charity made grants to the school of £148,793 (2022: £137,603). These were used by the school to fund improvements to school buildings and facilities, school initiatives to aid pupils' learning and scholarships to relieve the hardship where the pupil's education and future prospects would otherwise be at risk.

During the year the Charity again contributed toward several projects on the school site. The Charity's donations to the school were spent on improving the facilities of the school to enhance the education of the pupils.

COVID-19 implications

Rental income in the period was £18,934 (2022: £nil). Rental of the facilities had not been possible during the COVID-19 period but is started to return to more normal levels in 2023.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2023

FINANCIAL REVIEW

Review of financial position of the charity

The Charity's total funds increased by £174,361 (2022: £195,511) during the year, this was after grants made totalling £148,793 (2022: £137,603). The financial performance of the charity during the year is considered satisfactory and the future prospects of the Charity are considered good.

As in the previous accounting period a peppercorn rental was applied to all buildings with the exception of the boarding facilities where the charity charged a rental of 12.5% of total boarding income charged to pupils by the school. This can however be waived or partial remission be given at the discretion of the Trustees. The trustees agreed to cap the rental at £175,000 for the year to assist the school's financial position. The remaining rental income shown in the accounts was from lets to outside organisations during the school holidays.

The Trustees review available funds and borrowings on a regular basis. The Charity's policy is to place available funds in low risk investments and to ensure that borrowings for capital purposes can be financed from future income.

Statement of the charity's policy on reserves

The Charity holds reserves to support Lancaster Royal Grammar School in promoting the education of the pupils therein. Funding from other sources may not always meet the school's needs and the Charity seeks to maintain reserves to supplement other sources when required.

Reserves in the charity at 31st August 2023 were £1,925,582 (2022: £1,751,221)

Principal financial management policies adopted

The trustees review the management accounts of the charity on a regular basis.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The income is generated from the following sources:

- Rental income
- Donations
- Dividend income from the investment portfolios
- Bank interest

Expenditure in the form of grants to the school was used to:

- fund capital works for facilities to improve the education of the pupils
- fund extra-curricular activities for the students; and
- provide funds to students to relieve hardship.

Plans for future periods

The Charity aims to continue to generate funds from development appeals and to continue its policy of improving the general school buildings, to enable a full and wide curriculum to be delivered by the school, to provide extracurricular opportunities for all pupils and to give aid to pupils who need help to achieve their full potential.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2023

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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 applicable Charities SORP;
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by order of the Trustees



Mr H Roberts

Approved by the trustees on 13 June 2024

Lancaster Royal Grammar School Charity

Independent Examiner's Report to the Trustees of Lancaster Royal Grammar School Charity

For the year ended 31 August 2023

I report to the trustees on my examination of the accounts of Lancaster Royal Grammar School Charity ('the charity') for the year ended 31 August 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Darren Little ACA
Independent Examiner

The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Date: 18 June 2024.

Lancaster Royal Grammar School Charity

Statement of Financial Activities

For the year ended 31 August 2023

	Note	Endowment £	Unrestricted £	Year to August 2023 Total £	Year to August 2022 Total £
Incoming resources					
Income from generated funds					
Income from donations, legacies and grant income	3		224,813	224,813	308,137
Income from other trading activities	4	193,934		193,934	175,000
Investment income	5	1,630		1,630	170
Total incoming resources		195,564	224,813	420,377	483,307
Resources expended					
Cost of raising funds					
Cost of generating voluntary income	6		51,353	51,353	106,610
Costs for generating funds:					
Mortgage Interest		45,783		45,783	36,812
		45,783	51,353	97,136	143,422
Corporation Tax		-	-	-	-
Expenditure on Charitable activities	7	-	148,793	148,793	137,603
Total resources expended		45,783	200,146	245,929	281,025
Net incoming/(outgoing) resources before transfers		149,781	24,667	174,448	202,282
Transfers		(16,628)	16,628	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		133,153	41,295	174,448	202,282
Net Realised/Unrealised gains/(losses) on investments		(87)	-	(87)	(6,771)
Net movement in funds		133,066	41,295	174,361	195,511
Reconciliation of funds					
Total funds brought forward at 1 September 2022		1,674,705	76,516	1,751,221	1,555,710
Total funds carried forward at 31 August 2023		1,807,771	117,811	1,925,582	1,751,221

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Statement of Financial Position

For the year ended 31 August 2023

	Note	Year to August 2023 Total £	Year to August 2022 Total £
Fixed assets	8	2,500,000	2,500,000
Investments	9	4,422	4,509
Current Assets			
Debtors	10	23,143	4,000
Cash at bank		273,964	280,049
		<u>297,107</u>	<u>284,049</u>
Creditors falling due within one year	11	<u>(325,452)</u>	<u>(172,448)</u>
Net current assets / (liabilities)		(28,345)	111,601
Total assets less current liabilities		2,476,077	2,616,110
Creditors falling due after one year	12	<u>(550,495)</u>	<u>(864,889)</u>
Net assets		<u>1,925,582</u>	<u>1,751,221</u>
Represented by			
Endowment fund	13	1,807,771	1,674,705
Development appeal fund	13	99,381	45,880
Sedgwick request for works of art	13	131	131
Lune scholarship	13	12,505	20,282
Opportunities fund	13	5,794	10,223
		<u>1,925,582</u>	<u>1,751,221</u>

These financial statements were approved by the Trustees and authorised for issue on 13 June 2024 and are signed on behalf of the board by:



Mr H Roberts
Trustee

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

1 ACCOUNTING POLICIES

General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is East Road, Lancaster, LA1 3EF.

Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The trust meets the definition of a public benefit entity under FRS102.

Going concern

The fundraising activities of the charity have been reduced due to the pandemic. The Going Concern Status of the Charity is closely linked to that of the Lancaster Royal Grammar School. The School is currently in receipt of financial support from the ESFA following the impact of Covid related restrictions on its boarding activities. The Trustees have carefully considered the cash requirements of the Charity and the School for the foreseeable future taking into account current resources and concluded that the Charity has adequate resources to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular reasons. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those that are available for use at the discretion of the trustees in the furtherance of supporting Lancaster Royal Grammar School. The aim and use of the endowment fund is set out in the notes to the financial statements.

Incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource and will be credited to unrestricted funds unless the donor wishes restrictions to be placed.

Investment income and rental income

Income from investments and from rental income is included in the SOFA in the year in which it is receivable. On the 15 April 2011 Lancaster Royal Grammar School became an academy and at this point the trade and assets of the boarding account were transferred from the Charity to the academy. Since the 15 April 2011 an annual rental for the boarding facilities is charged by the Charity. The annual rental is £175,000. The Charity has the right to waive such rental costs should it choose to do so.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Charity is not registered for VAT.

Tangible fixed assets

Until March 1979 neither the original cost nor improvements to freehold land and buildings were capitalised because the buildings are historic, inalienable and form part of a permanent endowment.

As at the 15 April 2011, Lancaster Royal Grammar School converted to academy status and a 125 year lease was signed between the Charity and Academy. Due to the nature of this lease agreement, the risks and rewards of property ownership were inherited by the Academy and applicable accounting standards dictate the value of these assets is transferred to the Academy. Prior to this transfer the buildings were re-valued using the insurance valuation per the 2011 policy.

The freehold land was also re-valued at the point of conversion to £2,500,000 which the trustees believe better reflects the value of the land owned by the Charity. It has then been carried at deemed cost from this date.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

Investments

Investments are included at market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 notes. Prepayments are not financial instruments.

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. 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.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

2 Net income/(expenditure) for the year includes:

	2023	2022
Staff costs	35,319	80,340
Independent examination	3,696	3,528

3 Incoming resources from charitable activities

	2023	2022
Covenants/Gift Aid Donations	166,315	195,986
Income Tax Recoverable	24,090	24,465
Inspirus Project Donations	14,158	50,686
Legacies	20,250	37,000
	224,813	308,137

Transfer of assets

In 2022 the assets of The LRGS Sports Association, a connected charity was transferred to the Charity on the dissolution of the LRGS Sports Association. The assets transferred were:

COIF deposit account	£15,004
Balance due to LRGS	(£5,828)
Net donation included in Covenants/Gift Aid Donations	£9,176

4 Income from other trading activities

	2023	2022
Rental income – LRGS	175,000	175,000
Rental income	18,934	
	193,934	175,000

5 Investment income

	2023	2022
COIF Dividends	645	139
Bank interest	985	31
	1,630	170

6 Cost of Generating Voluntary income

	2023	2022
Staff costs	36,120	80,340
Travel, Accommodation and Hospitality	2,330	12,599
Other costs	7,909	10,143
Accounting Services	4,994	3,528
	51,353	106,610

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

7 Charitable activities

	2023	2022
Grants made to school in respect of:		
- Donation toward the School	50,217	46,131
- Donations toward School equipment	-	626
- Donations toward Rowing Equipment	4,717	-
- Pupils Scholarships via Lune Scholarship	9,827	10,027
- InspirUS Costs	26,476	26,364
- Extra Curricular / Annual Fund	52,457	50,954
- Bursaries	350	1,755
- Opportunities Fund	4,249	1,647
- Donations of Lettings Income	-	-
- Classics Funding	500	100
	148,793	137,603

8 Tangible Fixed Assets

	Freehold Land & Buildings	Total
At cost		
Balance at 1 September 2022	2,500,000	2,500,000
Additions	-	-
Disposals	-	-
Balance at 31 August 2023	2,500,000	2,500,000
Depreciation		
Balance at 1 September 2022	-	-
Depreciation charge year	-	-
Balance at 31 August 2023	-	-
Net book value		
At 31 August 2023	2,500,000	2,500,000
At 31 August 2022	2,500,000	2,500,000

As discussed within the accounting policy note, the buildings have been re-valued using the 2011 insurance policy before their transfer to Lancaster Royal Grammar School Academy. The residual balance of £2,500,000 relates wholly to non-depreciable land held by the Charity.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

9 Investments

	235/11,939 COIF units	UK Equities	Total
Cost			
Balance at 1 September 2022	1,206	-	1,206
Additions in the year	-	-	-
Disposals in the year	-	-	-
Balance at 31 August 2023	<u>1,206</u>	<u>-</u>	<u>1,206</u>
Market value			
Balance at 1 September 2022	4,509	-	4,509
Additions in the year	-	-	-
Changes in the year	(87)	-	(87)
Balance at 31 August 2023	<u>4,422</u>	<u>-</u>	<u>4,422</u>

COIF Units are deposits in the COIF Charities Deposit Fund managed on the Charity's behalf by CCLA Investment Management Limited.

10 Debtors

	2023	2022
Rent on Summer Lets	-	-
Accrued legacy income	20,000	-
Income tax on gift aid and covenants	3,143	4,000
	<u>23,143</u>	<u>4,000</u>

11 Creditors due within one year

	2023	2022
Bank loans	146,156	139,341
Amounts owed to LRGS	174,554	30,000
Trade creditors	1,382	83
Accruals and deferred income	3,360	3,024
Corporation Tax	-	-
	<u>325,452</u>	<u>172,448</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

12 Creditors falling due after one year

	2023	2022
Bank loans	550,495	690,463
Amounts owed to LRGS (note 15)	-	174,426
	<u>550,495</u>	<u>864,889</u>

£504,598 of the bank loan is secured by way of a legal charge over Gardyner House, Quernmore Road, Lancaster.

£192,053 of the bank loan is secured by way of a legal charge over Storey House, East Road, Lancaster.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2023	2022
Bank loan	-	85,385
Amounts owed to LRGS (note 15)	-	54,426
	<u>-</u>	<u>139,811</u>

The Barclays bank loan drawn down in August 2008 is repayable in 240 monthly instalments from the first drawdown date. Half of the loan is repayable at a fixed rate of 5.85% and the remaining half at 0.49% over the Barclays Bank variable rate.

The Yorkshire bank loan drawn down in July 2012 is repayable in 180 monthly instalments from the first drawdown date. Half the loan is repayable at a fixed rate of 4.91% and the remaining half at 2.5% over the 3 month BBA Sterling LIBOR rate.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

13 Funds

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2022	1,674,705	45,880	131	20,282	10,223	1,751,221
Net (outgoing)/ incoming resources	149,694	36,873	-	(7,777)	(4,429)	174,361
Transfers	(16,628)	16,628	-	-	-	-
	<u>1,807,771</u>	<u>99,381</u>	<u>131</u>	<u>12,505</u>	<u>5,794</u>	<u>1,925,582</u>

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

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2021	1,471,023	63,773	131	9,096	11,687	1,555,710
Net (outgoing)/ incoming resources	131,587	54,202	-	11,186	(1,464)	195,511
Transfers	72,095	(72,095)	-	-	-	-
	<u>1,674,705</u>	<u>45,880</u>	<u>131</u>	<u>20,282</u>	<u>10,223</u>	<u>1,751,221</u>

The £72,095 transfer relates to an historic imbalance in the Endowment fund corrected in 31 August 2022

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

FUND PURPOSES

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

Endowment Fund

This fund relates to servicing the loans on the boarding houses that are rented to Lancaster Royal Grammar School and to external groups during the school holidays.

Development Appeal Fund

This fund provides support to Lancaster Royal Grammar School for capital and revenue projects that support the education of the pupils at the school

Sedgwick Bequest for Works of Art

This fund supports the purchase and display of works of art for the encouragement of boys in their artistic endeavours.

Lune Scholarship

This fund supports boys from disadvantaged backgrounds with the provision of grants to enable them to attend the school and participate in a wide range of activities

Opportunities Fund

This fund supports boys from disadvantaged backgrounds to enable them to take a place on a school trip that will have a significant impact on their education.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

14 Analysis of group net assets between funds

Analysis of charity net assets between funds for 2023

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,422	-				4,422
Debtors	-	23,143				23,143
Cash at bank	-	255,534	131	12,505	5,794	273,964
Creditors	(696,651)	(179,296)				(875,947)
	<u>1,807,771</u>	<u>99,381</u>	<u>131</u>	<u>12,505</u>	<u>5,794</u>	<u>1,925,582</u>

Analysis of charity net assets between funds for 2022

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,509	-				4,509
Debtors	-	4,000				4,000
Cash at bank	-	249,413	131	20,282	10,223	280,049
Creditors	(829,804)	(207,533)				(1,037,337)
	<u>1,471,023</u>	<u>45,880</u>	<u>131</u>	<u>20,282</u>	<u>10,223</u>	<u>1,751,221</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2023

15 Related Party Transactions

The Charity has a number of related costs with the main school. Normally the school incurs the cost, and then a proportion of the cost is recharged to the Charity at a fair estimate.

All the staff costs of the Charity are recharges from the main school. The school employs all members of staff, and then recharges either their whole cost or a proportion of their cost, based on work undertaken for the Charity.

In the year £36,120 (2022: £80,340) in staff costs were recharged by the school to the Charity.

There was an average of 1 FTE staff recharges to the charity in the year (2022: 2)

The analysis of staff costs is shown below:

	2023	2022
Gross salaries	27,868	59,916
Social Security Costs	1,695	8,268
Superannuation	6,557	12,156
	<u>36,120</u>	<u>80,340</u>

The Charity has no actual employees of its own, due to this no employees had employee benefits in excess of £60,000 in this or the previous year, there was also no key personnel remuneration.

There was no trustee' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Included within creditors is an amount of £174,554 owed to the school (2022: £204,426). An agreement was reached between the Charity and the school that this amount will be repaid at a rate of £30,000 pa up to the year ending 31 August 2027 with the remaining balance being repaid in the year ending 31 August 2028. The Charity is expecting a substantial legacy in the year ending 31 August 2024 and has committed to using this legacy to repay the school in full; consequently, the full balance is shown in creditors due within one year.

LANCASTER ROYAL GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 526602

Accounts

Lancaster Royal Grammar School Charity

Unaudited Financial Statements for the year ended
31 August 2022

Charity Registration Number: 526602

Lancaster Royal Grammar School Charity

Financial Statements

For the year ended 31 August 2022

Contents	Page:
Trustees report	1
Independent Examiners' Report	5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the financial statements	8

Lancaster Royal Grammar School Charity

Officers and Professional Advisors

Trustees

Prof M Alexander
Dr J Bentham (Resigned December 2021)
Mr A R Collinson
Mr P Fitton (Resigned September 2022)
Mr M Fisher
Mrs W Preston (Appointed February 2022)
Mr P Dyer (Appointed December 2022)
Dr R Jackson (Appointed December 2022)
Mr H Roberts (Appointed December 2022)

Headmaster

Dr C Pyle

Administrator

Mrs C Lodge

Registered Office

East Road
Lancaster
LA1 3EF

Independent examiners

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

Bankers

Yorkshire Bank
45 Penny Street
Lancaster
LA1 1UE

Barclays Bank Plc
Market Street
Lancaster
LA1 1HR

National Westminster Bank Plc
68 Church Street
Lancaster
LA1 1LN

Solicitors

Blackhurst Swainson Goodier
3 & 4 Aalborg Square
Lancaster
LA1 1BJ

Lancaster Royal Grammar School Charity

Report of the Trustees

For the year ended 31 August 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Lancaster Royal Grammar School Charity is a registered charity (No 526602) and is administered in accordance with a Trust Scheme. The Trustees, administrator and professional advisers are listed on the previous page.

Methods adopted for the recruitment and appointment of new trustees

When there is a need for new trustees the existing trustees look to select suitable candidates who, through past experience and qualification, would continue the policy of enabling a broad input to their decision making.

Policies and procedures adopted for the induction and training of trustees

Policies and procedures are in place for the induction and training of new Trustees. However, in recognition of the vast experience which is evident amongst the current Trustees, there are no plans for the training of Trustees at present. The Trustees are aware that if the need arises, they will of course arrange such training to be carried out.

Organisational structure

The Trustees who have served during the year are set within the officers and professional advisors. The Trustees are appointed in accordance with the 1992 Trust Scheme sealed by the Charity Commissioners on 10 September 1992 and they also administer the following connected registered charities:-

Charity Name	Charity Number
The LRGS Sports Association	0518625
The LRGS Prizes Charity	1090614
The LRGS Boarding Charity	1090615
The LRGS Leaving Exhibition Charity	1090829
The LRGS British School Scholarships Charity	1090834

The Charity is also connected with Lancaster Royal Grammar School, which has been an Academy school since the 15 April 2011. The instrument of governance of the school provides for the Trustees to sit on the Trust board of the school.

The trustees are responsible for the overall management of the Charity and meet at least two times a year.

The governance of the school's activities is vested with the Trust Board who discharge their duties in accordance with government legislation, DfE and ESFA guidance.

Risk management

The Board of Trustees is responsible for the management of risk faced by the Charity. The significant risks to the Charity arise from the school's day to day operation. The Trustees, through overview of the Governing Body, ensures that risks are identified, assessed and controls introduced as required.

The Trustees examine the major risks that the Charity faces each financial year to ensure the continued success of the school and hence the Charity.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2022

OBJECTIVES AND ACTIVITIES

Summary of the objects set out in the governing document

The object of the charity is to assist the Trustees of Lancaster Royal Grammar School in promoting the education of pupils therein.

With this objective the Charity aims to improve the standard of education provided by the school by improving the general school buildings and so aid those pupils who require additional assistance to develop their full potential.

Charity's aims and main activities in relation to these objects

The principal activity of the Charity during the year was to run development appeals to raise monies for the upkeep and improvement of the general school facilities and for the school initiatives which help pupils to take full advantage of the educational opportunities available to them.

Public Benefit

When planning the activities for the year, the Trustees have considered the Commissions guidance on Public Benefit.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements of the charity during the year

The Charity received donations and gifts of £308,137 (2021: £205,521). This income is designated to be spent on the improvement of the facilities and buildings used by the school and to aid pupils to develop their full potential.

During the year the Charity made grants to the school of £137,603 (2021: £122,303). These were used by the school to fund improvements to school buildings and facilities, school initiatives to aid pupils' learning and scholarships to relieve the hardship where the pupil's education and future prospects would otherwise be at risk.

During the year the Charity again contributed toward several projects on the school site. The Charity's donations to the school were spent on improving the facilities of the school to enhance the education of the pupils.

COVID-19 implications

Rental income in the period was significantly reduced as residential lettings were not possible under the COVID-19 restrictions.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2022

FINANCIAL REVIEW

Review of financial position of the charity

The Charity's total funds increased by £195,511 (2021: £117,854) during the year, this was after grants made totalling £137,603 (2021: £122,303). The financial performance of the charity during the year is considered satisfactory and the future prospects of the Charity are considered good.

As in the previous accounting period a peppercorn rental was applied to all buildings with the exception of the boarding facilities where the charity charged a rental of 12.5% of total boarding income charged to pupils by the school. This can however be waived or partial remission be given at the discretion of the Trustees. The trustees agreed to cap the rental at £175,000 for the year to assist the school's financial position. The remaining rental income shown in the accounts was from lets to outside organisations during the school holidays.

The Trustees review available funds and borrowings on a regular basis. The Charities policy is to place available funds in low risk investments and to ensure that borrowings for capital purposes can be financed from future income.

Statement of the charity's policy on reserves

The Charity holds reserves to support Lancaster Royal Grammar School in promoting the education of the pupils therein. Funding from other sources may not always meet the school's needs and the Charity seeks to maintain reserves to supplement other sources when required.

Reserves in the charity at 31st August 2022 were £1,751,221 (2021: £1,555,710)

Principal financial management policies adopted

The trustees review the management accounts of the charity on a regular basis.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The income is generated from the following sources:

- Rental income
- Donations
- Dividend income from the investment portfolios
- Bank interest

Expenditure in the form of grants to the school was used to:

- fund capital works for facilities to improve the education of the pupils
- fund extra-curricular activities for the students; and
- provide funds to students to relieve hardship.

Plans for future periods

The Charity aims to continue to generate funds from development appeals and to continue its policy of improving the general school buildings, to enable a full and wide curriculum to be delivered by the school, to provide extracurricular opportunities for all pupils and to give aid to pupils who need help to achieve their full potential.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2022

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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 applicable Charities SORP;
- make judgments 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by order of the Trustees



Mr H Roberts

Approved by the trustees on 8 March 2023

Lancaster Royal Grammar School Charity

Independent Examiner's Report to the Trustees of Lancaster Royal Grammar School Charity

For the year ended 31 August 2022

I report to the trustees on my examination of the accounts of Lancaster Royal Grammar School Charity ('the charity') for the year ended 31 August 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Darren Little ACA
Independent Examiner

The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Date: 17 March 2023.

Lancaster Royal Grammar School Charity

Statement of Financial Activities

For the year ended 31 August 2022

	Note	Endowment £	Unrestricted £	Year to August 2022 Total £	Year to August 2021 Total £
Incoming resources					
Income from generated funds					
Income from donations, legacies and grant income	3		308,137	308,137	205,521
Income from other trading activities	4	175,000		175,000	175,560
Investment income	5	170		170	223
Total incoming resources		175,170	308,137	483,307	381,304
Resources expended					
Cost of raising funds					
Cost of generating voluntary income	6		106,610	106,610	113,431
Costs for generating funds:					
Mortgage Interest		36,812		36,812	33,514
		36,812	106,610	143,422	146,945
Corporation Tax		-	-	-	-
Expenditure on Charitable activities	7	-	137,603	137,603	122,303
Total resources expended		36,812	244,213	281,025	269,248
Net incoming/(outgoing) resources before transfers		138,358	63,924	202,282	112,056
Transfers		72,095	(72,095)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		210,453	(8,171)	202,282	112,056
Net Realised/Unrealised gains/(losses) on investments		(6,771)	-	(6,771)	5,797
Net movement in funds		203,682	(8,171)	195,511	117,853
Reconciliation of funds					
Total funds brought forward at 1 September 2021		1,471,023	84,687	1,555,710	1,437,857
Total funds carried forward at 31 August 2022		1,674,705	76,516	1,751,221	1,555,710

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Statement of Financial Position

For the year ended 31 August 2022

	Note	Year to August 2022 Total £	Year to August 2021 Total £
Fixed assets	8	2,500,000	2,500,000
Investments	9	4,509	20,241
Current Assets			
Debtors	10	4,000	5,237
Cash at bank		280,049	259,786
		<u>284,049</u>	<u>265,023</u>
Creditors falling due within one year	11	<u>(172,448)</u>	<u>(406,063)</u>
Net current assets / (liabilities)		111,601	(141,040)
Total assets less current liabilities		2,616,110	2,379,201
Creditors falling due after one year	12	<u>(864,889)</u>	<u>(823,491)</u>
Net assets		<u>1,751,221</u>	<u>1,555,710</u>
Represented by			
Endowment fund	13	1,674,705	1,471,023
Development appeal fund	13	45,880	63,773
Sedgwick request for works of art	13	131	131
Lune scholarship	13	20,282	9,096
Opportunities fund	13	10,223	11,687
		<u>1,751,221</u>	<u>1,555,710</u>

These financial statements were approved by the Trustees and authorised for issue on 08 March 2023 and are signed on behalf of the board by:



Mr H Roberts
Trustee

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

1 ACCOUNTING POLICIES

General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is East Road, Lancaster, LA1 3EF.

Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The trust meets the definition of a public benefit entity under FRS102.

Going concern

The fundraising activities of the charity have been reduced due to the pandemic. The Going Concern Status of the Charity is closely linked to that of the Lancaster Royal Grammar School. The School is currently in receipt of financial support from the ESFA following the impact of Covid related restrictions on its boarding activities. The Trustees have carefully considered the cash requirements of the Charity and the School for the foreseeable future taking into account current resources and concluded that the Charity has adequate resources to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular reasons. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those that are available for use at the discretion of the trustees in the furtherance of supporting Lancaster Royal Grammar School. The aim and use of the endowment fund is set out in the notes to the financial statements.

Incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource and will be credited to unrestricted funds unless the donor wishes restrictions to be placed.

Investment income and rental income

Income from investments and from rental income is included in the SOFA in the year in which it is receivable. On the 15 April 2011 Lancaster Royal Grammar School became an academy and at this point the trade and assets of the boarding account were transferred from the Charity to the academy. Since the 15 April 2011 an annual rental for the boarding facilities is charged by the Charity. The annual rental is calculated as a 12.5% charge of total boarding income charged to pupils by the academy. The Charity has the right to waive such rental costs should it choose to do so.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Charity is not registered for VAT.

Tangible fixed assets

Until March 1979 neither the original cost nor improvements to freehold land and buildings were capitalised because the buildings are historic, inalienable and form part of a permanent endowment.

As at the 15 April 2011, Lancaster Royal Grammar School converted to academy status and a 125 year lease was signed between the Charity and Academy. Due to the nature of this lease agreement, the risks and rewards of property ownership were inherited by the Academy and applicable accounting standards dictate the value of these assets is transferred to the Academy. Prior to this transfer the buildings were re-valued using the insurance valuation per the 2011 policy.

The freehold land was also re-valued at the point of conversion to £2,500,000 which the trustees believe better reflects the value of the land owned by the Charity. It has then been carried at deemed cost from this date.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

Investments

Investments are included at market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 notes. Prepayments are not financial instruments.

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. 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.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

2 Net income/(expenditure) for the year includes:

	2022	2021
Staff costs	80,340	96,631
Independent examination	3,528	3,120

3 Incoming resources from charitable activities

	2022	2021
Covenants/Gift Aid Donations	232,986	146,608
Income Tax Recoverable	24,465	28,456
Inspirus Project Donations	50,686	30,457
	<u>308,137</u>	<u>205,521</u>

Transfer of assets

During the year the assets of The LRGS Sports Association, a connected charity was transferred to the Charity on the dissolution of the LRGS Sports Association. The assets transferred were:

COIF deposit account	£15,004
Balance due to LRGS	<u>(£5,828)</u>
Net donation included in Covenants/Gift Aid Donations	£9,176

4 Income from other trading activities

	2022	2021
Rental income	175,000	175,560
	<u>175,000</u>	<u>175,560</u>

5 Investment income

	2022	2021
COIF Dividends	139	185
Bank interest	31	39
	<u>170</u>	<u>224</u>

6 Cost of Generating Voluntary income

	2022	2021
Staff costs	80,340	93,631
Travel, Accommodation and Hospitality	12,599	27
Other costs	10,143	16,653
Accounting Services	3,528	3,120
	<u>106,610</u>	<u>113,431</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

7 Charitable activities

	2022	2021
Grants made to school in respect of:		
- Donation toward the School	46,131	64,113
- Donations toward School equipment	626	-
- Donations toward Rowing Equipment	-	-
- Pupils Scholarships via Lune Scholarship	10,027	10,380
- InspirUS Costs	26,364	21,902
- Extra Curricular / Annual Fund	50,954	25,359
- Bursaries	1,755	-
- Opportunities Fund	1,647	50
- Donations of Lettings Income	-	-
- Classics Funding	100	500
	137,603	122,303

8 Tangible Fixed Assets

	Freehold Land & Buildings	Total
At cost		
Balance at 1 September 2021	2,500,000	2,500,000
Additions	-	-
Disposals	-	-
Balance at 31 August 2022	2,500,000	2,500,000
Depreciation		
Balance at 1 September 2021	-	-
Depreciation charge year	-	-
Balance at 31 August 2022	-	-
Net book value		
At 31 August 2022	2,500,000	2,500,000
At 31 August 2021	2,500,000	2,500,000

As discussed within the accounting policy note, the buildings have been re-valued using the 2011 insurance policy before their transfer to Lancaster Royal Grammar School Academy. The residual balance of £2,500,000 relates wholly to non-depreciable land held by the Charity.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

9 Investments

	235/11,939 COIF units	UK Equities	Total
Cost			
Balance at 1 September 2021	1,206	31,074	32,280
Additions in the year	-	-	-
Disposals in the year	-	(31,074)	-
Balance at 31 August 2022	<u>1,206</u>	<u>-</u>	<u>1,206</u>
Market value			
Balance at 1 September 2021	4,754	15,487	20,241
Additions in the year	-	-	-
Changes in the year	(245)	(15,487)	(15,732)
Balance at 31 August 2022	<u>4,509</u>	<u>-</u>	<u>4,509</u>

COIF Units are deposits in the COIF Charities Deposit Fund managed on the Charity's behalf by CCLA Investment Management Limited.

The UK Equities investment is 251,815 ordinary shares in Immotion Group PLC that were gifted to the Charity upon the company's flotation on 9th July 2018. These were disposed of during the year for £8,951.

10 Debtors

	2022	2021
Rent on Summer Lets	-	-
Income tax on gift aid and covenants	4,000	5,237
	<u>4,000</u>	<u>5,237</u>

11 Creditors due within one year

	2022	2021
Bank loans	139,341	136,596
Amounts owed to LRGS	30,000	266,143
Trade creditors	83	805
Accruals and deferred income	3,024	2,519
Corporation Tax	-	-
	<u>172,448</u>	<u>406,063</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

12 Creditors falling due after one year

	2022	2021
Bank loans	690,463	823,491
Amounts owed to LRGS (note 15)	174,426	-
	<u>864,889</u>	<u>823,491</u>

£593,310 of the bank loan is secured by way of a legal charge over Gardyner House, Quernmore Road, Lancaster.

£236,494 of the bank loan is secured by way of a legal charge over Storey House, East Road, Lancaster.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2022	2021
Bank loan	85,385	236,645
Amounts owed to LRGS (note 15)	54,426	-
	<u>139,811</u>	<u>236,645</u>

The Barclays bank loan drawn down in August 2008 is repayable in 240 monthly instalments from the first drawdown date. Half of the loan is repayable at a fixed rate of 5.85% and the remaining half at 0.49% over the Barclays Bank variable rate.

The Yorkshire bank loan drawn down in July 2012 is repayable in 180 monthly instalments from the first drawdown date. Half the loan is repayable at a fixed rate of 4.91% and the remaining half at 2.5% over the 3 month BBA Sterling LIBOR rate.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

13 Funds

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2021	1,471,023	63,773	131	9,096	11,687	1,555,710
Net (outgoing)/ incoming resources	131,587	54,202	-	11,186	(1,464)	195,511
Transfers	72,095	(72,095)	-	-	-	-
	<u>1,674,705</u>	<u>45,880</u>	<u>131</u>	<u>20,282</u>	<u>10,223</u>	<u>1,751,221</u>

The £72,095 transfer relates to an historic imbalance in the Endowment fund corrected in 31 August 2022

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

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2020	1,322,957	96,623	131	7,659	10,487	1,437,857
Net (outgoing)/ incoming resources	148,066	(32,850)	-	1,437	1,200	117,853
	<u>1,471,023</u>	<u>63,773</u>	<u>131</u>	<u>9,096</u>	<u>11,687</u>	<u>1,555,710</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

FUND PURPOSES

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

Endowment Fund

This fund relates to servicing the loans on the boarding houses that are rented to Lancaster Royal Grammar School and to external groups during the school holidays.

Development Appeal Fund

This fund provides support to Lancaster Royal Grammar School for capital and revenue projects that support the education of the pupils at the school

Sedgwick Bequest for Works of Art

This fund supports the purchase and display of works of art for the encouragement of boys in their artistic endeavours.

Lune Scholarship

This fund supports boys from disadvantaged backgrounds with the provision of grants to enable them to attend the school and participate in a wide range of activities

Opportunities Fund

This fund supports boys from disadvantaged backgrounds to enable them to take a place on a school trip that will have a significant impact on their education.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

14 Analysis of group net assets between funds

Analysis of charity net assets between funds for 2022

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,509	-				4,509
Debtors	-	4,000				4,000
Cash at bank	-	249,413	131	20,282	10,223	280,049
Creditors	(829,804)	(207,533)				(1,037,337)
	<u>1,674,705</u>	<u>45,880</u>	<u>131</u>	<u>20,282</u>	<u>10,223</u>	<u>1,751,221</u>

Analysis of charity net assets between funds for 2021

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,754	-		15,487		20,241
Debtors	-	5,237				5,237
Cash at bank	-	254,359	131	(6,391)	11,687	259,786
Creditors	(1,033,731)	(195,823)				(1,229,554)
	<u>1,471,023</u>	<u>63,773</u>	<u>131</u>	<u>9,096</u>	<u>11,687</u>	<u>1,555,710</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2022

15 Related Party Transactions

The Charity has a number of related costs with the main school. Normally the school incurs the cost, and then a proportion of the cost is recharged to the Charity at a fair estimate.

All the staff costs of the Charity are recharges from the main school. The school employs all members of staff, and then recharges either their whole cost or a proportion of their cost, based on work undertaken for the Charity.

In the year £80,340 (2021: £93,631) in staff costs were recharged by the school to the Charity.

There was an average of 2 FTE staff recharges to the charity in the year (2021: 2)

The analysis of staff costs is shown below:

	2022	2021
Gross salaries	59,916	69,819
Social Security Costs	8,268	9,634
Superannuation	12,156	14,178
	<u>80,340</u>	<u>93,631</u>

The Charity has no actual employees of its own, due to this no employees had employee benefits in excess of £60,000 in this or the previous year, there was also no key personnel remuneration.

There was no trustee' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Included within creditors is an amount of £204,426 owed to the school (2021: £266,143). An agreement has been reached between the Charity and the school that this amount will be repaid at a rate of £30,000 pa up to the year ending 31 August 2027 with the remaining balance being repaid in the year ending 31 August 2028.

LANCASTER ROYAL GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 526602

Accounts

Lancaster Royal Grammar School Charity

Unaudited Financial Statements for the year ended
31 August 2021

Charity Registration Number: 526602

Lancaster Royal Grammar School Charity

Financial Statements

For the year ended 31 August 2021

Contents	Page:
Trustees report	1
Independent Examiners' Report	5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the financial statements	8

Lancaster Royal Grammar School Charity

Officers and Professional Advisors

Trustees

Prof M Alexander
Dr J Bentham
Mr R Burgess (Resigned September 2020)
Mr D H Cameron (Resigned September 2020)
Mr A R Collinson
Mr P Fitton
Mr M Fisher
Mrs E Lund (Resigned 31 March 2021)
Mr A Neal (Resigned 31 March 2021)
HHJ P Sycamore (Resigned 31 March 2021)

Headmaster

Dr C Pyle

Administrator

Mrs C Lodge

Registered Office

East Road
Lancaster
LA1 3EF

Independent examiners

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

Bankers

Yorkshire Bank
45 Penny Street
Lancaster
LA1 1UE

Barclays Bank Plc
Market Street
Lancaster
LA1 1HR

National Westminster Bank Plc
68 Church Street
Lancaster
LA1 1LN

Solicitors

Blackhurst Swainson Goodier
3 & 4 Aalborg Square
Lancaster
LA1 1BJ

Lancaster Royal Grammar School Charity

Report of the Trustees

For the year ended 31 August 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Lancaster Royal Grammar School Charity is a registered charity (No 526602) and is administered in accordance with a Trust Scheme. The Trustees, administrator and professional advisers are listed on the previous page.

Methods adopted for the recruitment and appointment of new trustees

When there is a need for new trustees the existing trustees look to select suitable candidates who, through past experience and qualification, would continue the policy of enabling a broad input to their decision making.

Policies and procedures adopted for the induction and training of trustees

Policies and procedures are in place for the induction and training of new Trustees. However, in recognition of the vast experience which is evident amongst the current Trustees, there are no plans for the training of Trustees at present. The Trustees are aware that if the need arises, they will of course arrange such training to be carried out.

Organisational structure

The Trustees who have served during the year are set within the officers and professional advisors. The Trustees are appointed in accordance with the 1992 Trust Scheme sealed by the Charity Commissioners on 10 September 1992 and they also administer the following connected registered charities:-

Charity Name	Charity Number
The LRGS Sports Association	0518625
The LRGS Prizes Charity	1090614
The LRGS Boarding Charity	1090615
The LRGS Leaving Exhibition Charity	1090829
The LRGS British School Scholarships Charity	1090834

The Charity is also connected with Lancaster Royal Grammar School, which has been an Academy school since the 15 April 2011. The instrument of governance of the school provides for the Trustees to sit on the Trust board of the school.

The trustees are responsible for the overall management of the Charity and meet at least three times a year.

The governance of the school's activities is vested with the Trust Board who discharge their duties in accordance with government legislation, DfE and ESFA guidance.

Risk management

The Board of Trustees is responsible for the management of risk faced by the Charity. The significant risks to the Charity arise from the schools day to day operation. The Trustees, through overview of the Governing Body, ensures that risks are identified, assessed and controls introduced as required.

The Trustees examine the major risks that the Charity faces each financial year to ensure the continued success of the school and hence the Charity.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2021

OBJECTIVES AND ACTIVITIES

Summary of the objects set out in the governing document

The object of the charity is to assist the Trustees of Lancaster Royal Grammar School in promoting the education of pupils therein.

With this objective the Charity aims to improve the standard of education provided by the school by improving the general school buildings and so aid those pupils who require additional assistance to develop their full potential.

Charity's aims and main activities in relation to these objects

The principal activity of the Charity during the year was to run development appeals to raise monies for the upkeep and improvement of the general school facilities and for the school initiatives which help pupils to take full advantage of the educational opportunities available to them.

Public Benefit

When planning the activities for the year, the Trustees have considered the Commissions guidance on Public Benefit.

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements of the charity during the year

The Charity received donations and gifts of £205,521 (2020: £181,529). This income is designated to be spent on the improvement of the facilities and buildings used by the school and to aid pupils to develop their full potential.

During the year the Charity made grants to the school of £122,303 (2020: £131,052). These were used by the school to fund improvements to school buildings and facilities, school initiatives to aid pupils' learning and scholarships to relieve the hardship where the pupil's education and future prospects would otherwise be at risk.

During the year the Charity again contributed toward several projects on the school site. The Charity's donations to the school were spent on improving the facilities of the school to enhance the education of the pupils.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2021

FINANCIAL REVIEW

Review of financial position of the charity

The Charity's total funds increased by £117,854 (2020: £71,166) during the year, this was after grants made totalling £122,303 (2020: £131,052). The financial performance of the charity during the year is considered satisfactory and the future prospects of the Charity are considered good.

As in the previous accounting period a peppercorn rental was applied to all buildings with the exception of the boarding facilities where the charity charged a rental of 12.5% of total boarding income charged to pupils by the school. This can however be waived or partial remission be given at the discretion of the Trustees. The trustees agreed to cap the rental at £175,000 for the year to assist the school's financial position. The remaining rental income shown in the accounts was from lets to outside organisations during the school holidays.

The Trustees review available funds and borrowings on a regular basis. The Charities policy is to place available funds in low risk investments and to ensure that borrowings for capital purposes can be financed from future income.

Statement of the charity's policy on reserves

The Charity holds reserves to support Lancaster Royal Grammar School in promoting the education of the pupils therein. Funding from other sources may not always meet the school's needs and the Charity seeks to maintain reserves to supplement other sources when required.

Reserves in the charity at 31st August 2021 were £1,555,710 (2020: £1,437,857)

Principal financial management policies adopted

The trustees review the management accounts of the charity on a regular basis.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

The income is generated from the following sources:

- Rental income
- Donations
- Dividend income from the investment portfolios
- Bank interest

Expenditure in the form of grants to the school was used to:

- fund capital works for facilities to improve the education of the pupils
- fund extra-curricular activities for the students; and
- provide funds to students to relieve hardship.

Plans for future periods

The Charity aims to continue to generate funds from development appeals and to continue its policy of improving the general school buildings, to enable a full and wide curriculum to be delivered by the school, to provide extracurricular opportunities for all pupils and to give aid to pupils who need help to achieve their full potential.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended 31 August 2021

COVID-19 implications

Rental income in the period was significantly reduced as residential lettings were not possible under the COVID-19 restrictions. Grants to the school for extracurricular activities were also reduced as many of these activities could not take place due to the restrictions.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

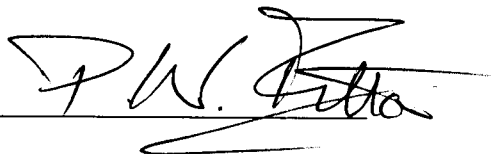
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by order of the Trustees

Mr P Fitton

Approved by the trustees on



The image shows a handwritten signature in black ink, which appears to be 'P. W. Fitton'. The signature is written over a horizontal line that serves as a signature line.

Lancaster Royal Grammar School Charity

Independent Examiner's Report to the Trustees of Lancaster Royal Grammar School Charity

For the year ended 31 August 2021

I report to the trustees on my examination of the accounts of Lancaster Royal Grammar School Charity ('the charity') for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

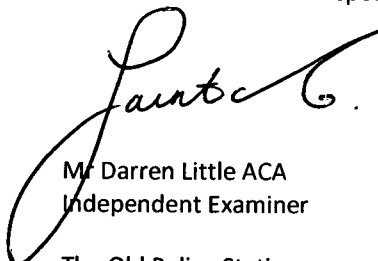
I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Darren Little ACA
Independent Examiner

The Old Police Station
Church Street
Ambleside
Cumbria
LA22 0BT

Date: 17 May 2022

Lancaster Royal Grammar School Charity

Statement of Financial Activities

For the year ended 31 August 2021

	Note	Endowment £	Unrestricted £	Year to August 2021 Total £	Year to August 2020 Total £
Incoming resources					
Income from generated funds					
Income from donations, legacies and grant income	3		205,521	205,521	181,529
Income from other trading activities	4	175,560		175,560	193,875
Investment income	5	223		223	351
Total incoming resources		175,783	205,521	381,304	375,755
Resources expended					
Cost of raising funds					
Cost of generating voluntary income	6		113,431	113,431	131,601
Costs for generating funds:					
Mortgage Interest		33,514		33,514	37,529
		33,514	113,431	146,945	169,130
Corporation Tax		-	-	-	-
Expenditure on Charitable activities	7	-	122,303	122,303	131,052
Total resources expended		33,514	235,734	269,248	300,182
Net incoming/(outgoing) resources before transfers		142,269	(30,213)	112,056	75,573
Net incoming/(outgoing) resources before other recognised gains and losses		142,269	(30,213)	112,056	75,573
Net Realised/Unrealised gains/(losses) on investments		5,797	-	5,797	(4,407)
Net movement in funds		148,066	(30,213)	117,853	71,166
Reconciliation of funds					
Total funds brought forward at 1 September 2020		1,322,957	114,900	1,437,857	1,366,691
Total funds carried forward at 31 August 2021		1,471,023	84,687	1,555,710	1,437,857

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure is derived from continuing activities.

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Statement of Financial Position

For the year ended 31 August 2021

	Note	Year to August 2021 Total £	Year to August 2020 Total £
Fixed assets	8	2,500,000	2,500,000
Investments	9	20,241	14,444
Current Assets			
Debtors	10	5,237	3,761
Cash at bank		259,786	136,149
		<u>265,023</u>	<u>139,910</u>
Creditors falling due within one year	11	<u>(406,063)</u>	<u>(251,903)</u>
Net current assets / (liabilities)		(141,040)	(111,993)
Total assets less current liabilities		2,379,201	2,402,451
Creditors falling due after one year	12	<u>(823,491)</u>	<u>(964,594)</u>
Net assets		<u>1,555,710</u>	<u>1,437,857</u>
Represented by			
Endowment fund	13	1,471,023	1,322,957
Development appeal fund	13	63,773	96,623
Sedgwick request for works of art	13	131	131
Lune scholarship	13	9,096	7,659
Opportunities fund	13	11,687	10,487
		<u>1,555,710</u>	<u>1,437,857</u>

These financial statements were approved by the Trustees and authorised for issue on 29/4/2022 and are signed on behalf of the board by:



Mr P Fitton
Trustee

The notes on pages 8 to 18 form part of these financial statements.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

1 ACCOUNTING POLICIES

General Information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is East Road, Lancaster, LA1 3EF.

Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The trust meets the definition of a public benefit entity under FRS102.

Going concern

The fundraising activities of the charity have been reduced due to the pandemic and at the year end the Charity had net current liabilities. The Going Concern Status of the Charity is closely linked to that of the Lancaster Royal Grammar School. The School is currently in receipt of financial support from the ESFA following the impact of Covid related restrictions on its boarding activities. The Trustees have carefully considered the cash requirements of the Charity and the School for the foreseeable future taking into account current resources and concluded that the Charity has adequate resources to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular reasons. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those that are available for use at the discretion of the trustees in the furtherance of supporting Lancaster Royal Grammar School. The aim and use of the endowment fund is set out in the notes to the financial statements.

Incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource and will be credited to unrestricted funds unless the donor wishes restrictions to be placed.

Investment income and rental income

Income from investments and from rental income is included in the SOFA in the year in which it is receivable. On the 15 April 2011 Lancaster Royal Grammar School became an academy and at this point the trade and assets of the boarding account were transferred from the Charity to the academy. Since the 15 April 2011 an annual rental for the boarding facilities is charged by the Charity. The annual rental is calculated as a 12.5% charge of total boarding income charged to pupils by the academy. The Charity has the right to waive such rental costs should it choose to do so.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Charity is not registered for VAT.

Tangible fixed assets

Until March 1979 neither the original cost nor improvements to freehold land and buildings were capitalised because the buildings are historic, inalienable and form part of a permanent endowment.

As at the 15 April 2011, Lancaster Royal Grammar School converted to academy status and a 125 year lease was signed between the Charity and Academy. Due to the nature of this lease agreement, the risks and rewards of property ownership were inherited by the Academy and applicable accounting standards dictate the value of these assets is transferred to the Academy. Prior to this transfer the buildings were re-valued using the insurance valuation per the 2011 policy.

The freehold land was also re-valued at the point of conversion to £2,500,000 which the trustees believe better reflects the value of the land owned by the Charity. It has then been carried at deemed cost from this date.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

Investments

Investments are included at market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 notes. Prepayments are not financial instruments.

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. 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.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

2 Net income/(expenditure) for the year includes:

	2021	2020
Staff costs	93,631	108,456
Independent examination	3,120	2,520

3 Incoming resources from charitable activities

	2021	2020
Covenants/Gift Aid Donations	146,608	141,080
Income Tax Recoverable	28,456	20,414
Inspirus Project Donations	30,457	20,035
	<hr/> 205,521	<hr/> 181,529

4 Income from other trading activities

	2021	2020
Rental income	175,560	193,875
	<hr/> 175,560	<hr/> 193,875

5 Investment income

	2021	2020
COIF Dividends	185	125
Bank interest	39	226
	<hr/> 224	<hr/> 351

6 Cost of Generating Voluntary income

	2021	2020
Staff costs	93,631	108,456
Travel, Accommodation and Hospitality	27	6,309
Other costs	16,653	14,316
Accounting Services	3,120	2,520
	<hr/> 113,431	<hr/> 131,601

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

7 Charitable activities

	2021	2020
Grants made to school in respect of:		
- Donation toward the School	64,113	17,868
- Donations toward School equipment	-	-
- Donations toward Rowing Equipment	-	-
- Pupils Scholarships via Lune Scholarship	10,380	10,098
- InspirUS Costs	21,902	35,979
- Extra Curricular / Annual Fund	25,359	49,751
- Bursaries	-	-
- Opportunities Fund	50	3,249
- Donations of Lettings Income	-	14,000
- Classics Funding	500	100
- Shaun Higgins Memorial	-	-
- Archives Project	-	7
	<u>122,303</u>	<u>131,052</u>

8 Tangible Fixed Assets

	Freehold Land & Buildings	Total
At cost		
Balance at 1 September 2020	2,500,000	2,500,000
Additions	-	-
Disposals	-	-
Balance at 31 August 2021	<u>2,500,000</u>	<u>2,500,000</u>
Depreciation		
Balance at 1 September 2020	-	-
Depreciation charge year	-	-
Balance at 31 August 2021	<u>-</u>	<u>-</u>
Net book value		
At 31 August 2021	<u>2,500,000</u>	<u>2,500,000</u>
At 31 August 2020	<u>2,500,000</u>	<u>2,500,000</u>

As discussed within the accounting policy note, the buildings have been re-valued using the 2011 insurance policy before their transfer to Lancaster Royal Grammar School Academy. The residual balance of £2,500,000 relates wholly to non-depreciable land held by the Charity.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

9 Investments

	COIF units	UK Equities	Total
Cost			
Balance at 1 September 2020	1,206	31,074	32,280
Additions in the year	-	-	-
Balance at 31 August 2021	<u>1,206</u>	<u>31,074</u>	<u>32,280</u>
Market value			
Balance at 1 September 2020	2,609	11,835	14,444
Additions in the year	-	-	-
Changes in the year	2,145	3,652	5,797
Balance at 31 August 2021	<u>4,754</u>	<u>15,487</u>	<u>20,241</u>

COIF Units are deposits in the COIF Charities Deposit Fund managed on the Charity's behalf by CCLA Investment Management Limited.

The UK Equities investment is 251,815 ordinary shares in Immotion Group PLC that were gifted to the Charity upon the company's flotation on 9th July 2018.

10 Debtors

	2021	2020
Rent on Summer Lets	-	-
Income tax on gift aid and covenants	5,237	3,761
	<u>5,237</u>	<u>3,761</u>

11 Creditors due within one year

	2021	2020
Bank loans	136,596	128,702
Amounts owed to LRGS	266,143	120,681
Trade creditors	805	-
Accruals and deferred income	2,519	2,520
Corporation Tax	-	-
	<u>406,063</u>	<u>251,903</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

12 Creditors falling due after one year

	2021	2020
Bank loans	823,491	964,594
	<u>823,491</u>	<u>964,594</u>

£684,413 of the bank loan is secured by way of a legal charge over Gardyner House, Quernmore Road, Lancaster.

£275,674 of the bank loan is secured by way of a legal charge over Storey House, East Road, Lancaster.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2021	2020
Bank loan	236,645	405,033
	<u>236,645</u>	<u>405,033</u>

The Barclays bank loan drawn down in August 2008 is repayable in 240 monthly instalments from the first drawdown date. Half of the loan is repayable at a fixed rate of 5.85% and the remaining half at 0.49% over the Barclays Bank variable rate.

The Yorkshire bank loan drawn down in July 2012 is repayable in 180 monthly instalments from the first drawdown date. Half the loan is repayable at a fixed rate of 4.91% and the remaining half at 2.5% over the 3 month BBA Sterling LIBOR rate.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

13 Funds

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2020	1,322,957	96,623	131	7,659	10,487	1,437,857
Net (outgoing)/ incoming resources	148,066	(32,850)	-	1,437	1,200	117,853
	<u>1,471,023</u>	<u>63,773</u>	<u>131</u>	<u>9,096</u>	<u>11,687</u>	<u>1,555,710</u>

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

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2019	1,180,260	165,754	131	9,517	11,029	1,366,691
Net (outgoing)/ incoming resources	142,697	(69,131)	-	(1,858)	(542)	71,166
	<u>1,322,957</u>	<u>96,623</u>	<u>131</u>	<u>7,659</u>	<u>10,487</u>	<u>1,437,857</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

FUND PURPOSES

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

Endowment Fund

This fund relates to servicing the loans on the boarding houses that are rented to Lancaster Royal Grammar School and to external groups during the school holidays.

Development Appeal Fund

This fund provides support to Lancaster Royal Grammar School for capital and revenue projects that support the education of the pupils at the school

Sedgwick Bequest for Works of Art

This fund supports the purchase and display of works of art for the encouragement of boys in their artistic endeavours.

Lune Scholarship

This fund supports boys from disadvantaged backgrounds with the provision of grants to enable them to attend the school and participate in a wide range of activities

Opportunities Fund

This fund supports boys from disadvantaged backgrounds to enable them to take a place on a school trip that will have a significant impact on their education.

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

14 Analysis of group net assets between funds

Analysis of charity net assets between funds for 2021

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	4,754	-		15,487		20,241
Debtors	-	5,237				5,237
Cash at bank	-	254,359	131	(6,391)	11,687	259,786
Creditors	(1,033,731)	(195,823)				(1,229,554)
	<u>1,471,023</u>	<u>63,773</u>	<u>131</u>	<u>9,096</u>	<u>11,687</u>	<u>1,555,710</u>

Analysis of charity net assets between funds for 2020

	Endowment Fund	Development Appeal Fund	Sedgwick Bequest for Works of Art	Lune Scholarship	Opportunities fund	Total
	£	£	£	£	£	£
Tangible fixed assets	2,500,000	-				2,500,000
Investments	2,609	-		11,835		14,444
Debtors	-	3,761				3,761
Cash at bank	-	129,707	131	(4,176)	10,487	136,149
Creditors	(1,179,652)	(36,845)				(1,216,497)
	<u>1,322,957</u>	<u>96,623</u>	<u>131</u>	<u>7,659</u>	<u>10,487</u>	<u>1,437,857</u>

Lancaster Royal Grammar School Charity

Notes forming part of the financial statements

For the year ended 31 August 2021

15 Related Party Transactions

The Charity has a number of related costs with the main school. Normally the school incurs the cost, and then a proportion of the cost is recharged to the Charity at a fair estimate.

All the staff costs of the Charity are recharges from the main school. The school employs all members of staff, and then recharges either their whole cost or a proportion of their cost, based on work undertaken for the Charity.

In the year £93,631 (2020: £108,456) in staff costs were recharged by the school to the Charity.

There was an average of 2 FTE staff recharges to the charity in the year (2020: 3)

The analysis of staff costs is shown below:

	2021	2020
Gross salaries	69,819	82,351
Social Security Costs	9,634	11,364
Superannuation	14,178	14,741
	<u>93,631</u>	<u>108,456</u>

The Charity has no actual employees of its own, due to this no employees had employee benefits in excess of £60,000 in this or the previous year, there was also no key personnel remuneration.

There was no trustee' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

LANCASTER ROYAL GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 526602

Accounts

**LANCASTER ROYAL GRAMMAR SCHOOL
CHARITY**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020**

Charity Number 526602

Lancaster Royal Grammar School Charity

Financial Statements

For the year ended

31 August 2020

Contents

Page:

Trustees report	1 - 3
Independent Examiners' Report	4
Statement of Financial Activities	5
Statement of Financial Position	6
Notes to the financial statements	7 - 15

Lancaster Royal Grammar School Charity

Officers and Professional Advisors

Trustees	Prof M Alexander Dr J Bentham Mr R Burgess (Resigned September 2020) Mr D H Cameron (Resigned September 2020) Mr A R Collinson Mr P Fitton Mr M Fisher Mrs E Lund Mr A Neal HHJ P Sycamore
Headmaster	Dr C Pyle
Administrator	Mrs C Lodge
Registered Office	East Road Lancaster LA1 3EF
Independent examiners	RSM UK Tax and Accounting Limited Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
Bankers	Yorkshire Bank 45 Penny Street Lancaster LA1 1UE Barclays Bank Plc Market Street Lancaster LA1 1HR National Westminster Bank Plc 68 Church Street Lancaster LA1 1LN
Solicitors	Blackhurst Swainson Goodier 3 & 4 Aalborg Square Lancaster LA1 1BJ

Lancaster Royal Grammar School Charity

Report of the Trustees

For the year ended

31 August 2020

The Trustees present their annual report along with the financial statements for the year ended 31 August 2020 under the Charities Act 2011, together with unaudited accounts for the year and confirm that the latter comply with the Act, The Trust Deed and the Charities SORP applicable to charities preparing their accounts in accordance with the FRS 102 section 1A.

Administrative information

The Lancaster Royal Grammar School Charity is a registered charity (No 526602) and is administered in accordance with a Trust Scheme. The Trustees, administrator and professional advisers are listed on the previous page.

The object of the charity is to assist the Trustees of Lancaster Royal Grammar School in promoting the education of pupils therein.

Structure, Governance and Management

The Trustees who have served during the year are set within the officers and professional advisors. The Trustees are appointed in accordance with the 1992 Trust Scheme sealed by the Charity Commissioners on 10 September 1992 and they also administer the following connected registered charities:-

Charity Name	Charity Number
The LRGS Sports Association	0518625
The LRGS Prizes Charity	1090614
The LRGS Boarding Charity	1090615
The LRGS Leaving Exhibition Charity	1090829
The LRGS British School Scholarships Charity	1090834

The Charity is also connected with Lancaster Royal Grammar School, which has been an Academy school since the 15 April 2011. The instrument of governance of the school provides for the Trustees to sit on the Trust board of the school.

The trustees are responsible for the overall management of the Charity and meet at least three times a year. Policies and procedures are in place for the induction and training of new Trustees. However, in recognition of the vast experience which is evident amongst the current Trustees, there are no plans for the training of Trustees at present. The Trustees are aware that if the need arises, they will of course arrange such training to be carried out.

The governance of the school's activities is vested with the Trust Board who discharge their duties in accordance with government legislation, DfE and ESFA guidance.

Risk Management

The Board of Trustees is responsible for the management of risk faced by the Charity. The significant risks to the Charity arise from the schools day to day operation. The Trustees, through overview of the Governing Body, ensures that risks are identified, assessed and controls introduced as required.

The Trustees examine the major risks that the Charity faces each financial year to ensure the continued success of the school and hence the Charity.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended

31 August 2020

Objects, Aims and Activities

The object of the Charity is to assist the Trustees of Lancaster Royal Grammar School in promoting the education of the pupils therein and is set out in the Trust Deed.

With this objective the Charity aims to improve the standard of education provided by the school by improving the general school buildings and so aid those pupils who require additional assistance to develop their full potential.

The principal activity of the Charity during the year was to run development appeals to raise monies for the upkeep and improvement of the general school facilities and for the school initiatives which help pupils to take full advantage of the educational opportunities available to them.

When planning the activities for the year, the Trustees have considered the Commissions guidance on Public Benefit.

Application of Income

The Charity received donations and gifts of £181,529 (2019: £218,807). This income is designated to be spent on the improvement of the facilities and buildings used by the school and to aid pupils to develop their full potential.

During the year the Charity made grants to the school of £131,052 (2019: £215,654). These were used by the school to fund improvements to school buildings and facilities, school initiatives to aid pupils' learning and scholarships to relieve the hardship where the pupil's education and future prospects would otherwise be at risk.

Financial Review and Investment Policy

During the year the Charity again contributed toward several projects on the school site. The Charity's donations to the school were spent on revenue based costs to improve the facilities of the school to enhance the education of the pupils.

The Charity's total funds increased by £71,166 (2019: £1,459) during the year, this was after grants made totalling £131,052 (2019: £215,654). The financial performance of the charity during the year is considered satisfactory and the future prospects of the Charity are considered good.

As in the previous accounting period a peppercorn rental was applied to all buildings with the exception of the boarding facilities where the charity charged a rental of 12.5% of total boarding income charged to pupils by the school. This can however be waived or partial remission be given at the discretion of the Trustees. The trustees agreed to cap the rental at £175,000 for the year to assist the school's financial position. The remaining rental income shown in the accounts was from lets to outside organisations during the school holidays.

The Trustees review available funds and borrowings on a regular basis. The Charities policy is to place available funds in low risk investments and to ensure that borrowings for capital purposes can be financed from future income.

Lancaster Royal Grammar School Charity

Report of the Trustees (continued)

For the year ended

31 August 2020

Reserves Policy

The Charity holds reserves to support Lancaster Royal Grammar School in promoting the education of the pupils therein. Funding from other sources may not always meet the school's needs and the Charity seeks to maintain reserves to supplement *other sources* when required.

Reserves in the charity at 31st August 2020 were £1,437,857 (2019: £1,366,691)

Future Plans

The Charity aims to continue to generate funds from development appeals and to continue its policy of improving the general school buildings, to enable a full and wide curriculum to be delivered by the school, to provide extracurricular opportunities for all pupils and to give aid to pupils who need help to achieve their full potential.

Accounting and Reporting Responsibilities of the Trustees

The Charities Act requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity at the end of the year and of the incoming and outgoing resources for the year then ended. In preparing the accounts the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by order of the Trustees



Mr P Fitton

Approved by the trustees on 25 June 2021

Lancaster Royal Grammar School Charity
Independent Examiners' Report to the Trustees of the
Lancaster Royal Grammar School Charity

I report to the trustees on my examination of the accounts of Lancaster Royal Grammar School Charity ('the charity') for the year ended 31 August 2020, which are set out on pages 5 to 15.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Karen or Tax and Accounting limited.

Karen Musgrave
On behalf of RSM UK Tax & Accounting Limited
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Date: 29 June 2021

Lancaster Royal Grammar School Charity

Statement of Financial Activities

For the year ended 31 August 2020

	Note	Endowment £	Unrestricted £	Year to August 2020 Total £	Year to August 2019 Total £
Incoming resources					
Income from generated funds					
Income from donations, legacies and grant income	3		181,529	181,529	218,807
Income from other trading activities	4	193,875		193,875	193,673
Investment income	5	351		351	75
Total incoming resources		194,226	181,529	375,755	412,555
Resources expended					
Cost of raising funds					
Cost of generating voluntary income	6		131,601	131,601	130,514
Costs for generating funds: Mortgage Interest		37,529		37,529	50,094
		37,529	131,601	169,130	180,608
Corporation Tax		-	-	-	(1,345)
Expenditure on Charitable activities	7	14,000	117,052	131,052	215,654
Total resources expended		51,529	248,653	300,182	394,917
Net incoming/(outgoing) resources before transfers		142,697	(67,124)	75,573	17,638
Net incoming/(outgoing) resources before other recognised gains and losses		142,697	(67,124)	75,573	17,638
Net Realised/Unrealised gains/(losses) on investments			(4,407)	(4,407)	(16,179)
Net movement in funds		142,697	(71,531)	71,166	1,459
Reconciliation of funds					
Total funds brought forward at 1 September 2019		1,180,260	186,431	1,366,691	1,365,232
Total funds carried forward at 31 August 2020		1,322,957	114,900	1,437,857	1,366,691

The notes on pages 7 to 15 form part of these financial statements.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

Lancaster Royal Grammar School Charity

Statement of Financial Position

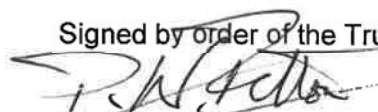
For the year ended 31 August 2020

	Note	Year to August 2020 Total £	Year to August 2019 Total £
Fixed assets	8	2,500,000	2,500,000
Investments	9	14,444	18,851
Current Assets			
Debtors	10	3,761	12,257
Cash at bank		136,149	209,639
		<u>139,910</u>	<u>221,896</u>
Creditors falling due within one year	11	<u>(251,903)</u>	<u>(274,171)</u>
Net current assets / (liabilities)		(111,993)	(52,275)
Total assets less current liabilities		2,402,451	2,466,576
Creditors falling due after one year	12	<u>(964,594)</u>	<u>(1,099,885)</u>
Net assets		<u>1,437,857</u>	<u>1,366,691</u>
Represented by			
Endowment fund	13	1,322,957	1,180,260
Development appeal fund	13	96,623	165,754
Sedgwick request for works of art	13	131	131
Lune scholarship	13	7,659	9,517
Opportunities fund	13	10,487	11,029
		<u>1,437,857</u>	<u>1,366,691</u>

The financial statements on pages 5 to 15 were approved by the Trustees on

The trustees have prepared the accounts in accordance with section 138 of the Charities Act 2011. These accounts are prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the FRS 102 Section 1A.

Signed by order of the Trustees:


Mr P. Fitton

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

1 ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with the Charities Act 2011 under the historical cost convention as modified by the adoption of market value for investment assets in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP FRS 102 Section 1A).

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice:

Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 Section 1A) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 Section 1A) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a 'true and fair view'. This departure has involved following the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102 Section 1A) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going concern

The fundraising activities of the charity have been reduced due to the pandemic and at the year end the Charity had net current liabilities. The Going Concern Status of the Charity is closely linked to that of the Lancaster Royal Grammar School. The School is currently in receipt of financial support from the ESFA following the impact of Covid related restrictions on its boarding activities. The Trustees have carefully considered the cash requirements of the Charity and the School for the foreseeable future taking into account current resources and concluded that the Charity has adequate resources to continue as a going concern.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular reasons. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are those that are available for use at the discretion of the trustees in the furtherance of supporting Lancaster Royal Grammar School. The aim and use of the endowment fund is set out in the notes to the financial statements.

Incoming resources

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the Charity becomes entitled to the resource and will be credited to unrestricted funds unless the donor wishes restrictions to be placed.

Investment income and rental income

Income from investments and from rental income is included in the SOFA in the year in which it is receivable. On the 15 April 2011 Lancaster Royal Grammar School became an academy and at this point the trade and assets of the boarding account were transferred from the Charity to the academy. Since the 15 April 2011 an annual rental for the boarding facilities is charged by the Charity. The annual rental is calculated as a 12.5% charge of total boarding income charged to pupils by the academy. The Charity has the right to waive such rental costs should it choose to do so.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The Charity is not registered for VAT.

Tangible fixed assets

Until March 1979 neither the original cost nor improvements to freehold land and buildings were capitalised because the buildings are historic, inalienable and form part of a permanent endowment.

As at the 15 April 2011, Lancaster Royal Grammar School converted to academy status and a 125 year lease was signed between the Charity and Academy. Due to the nature of this lease agreement, the risks and rewards of property ownership were inherited by the Academy and applicable accounting standards dictate the value of these assets is transferred to the Academy. Prior to this transfer the buildings were re-valued using the insurance valuation per the 2011 policy.

The freehold land was also re-valued at the point of conversion to £2,500,000 which the trustees believe better reflects the value of the land owned by the Charity. It has then been carried at deemed cost from this date.

Investments

Investments are included at market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at truncation value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

2 Net income/(expenditure) for the year		2020	2019
Staff costs		108,456	105,048
Independent examination		2,520	3,040
3 Incoming resources from charitable activities		2020	2019
Covenants/Gift Aid Donations		141,080	142,522
Income Tax Recoverable		20,414	36,285
Inspirus Project Donations		20,035	40,000
		<u>181,529</u>	<u>218,807</u>
4 Income from other trading activities		2020	2019
Rental income		193,875	193,673
		<u>193,875</u>	<u>193,373</u>
5 Investment income		2020	2019
COIF Dividends		125	62
Bank interest		226	13
		<u>351</u>	<u>75</u>
6 Cost of Generating Voluntary income		2020	2019
Staff costs		108,456	105,048
Travel, Accommodation and Hospitality		6,309	8,746
Other costs		14,316	13,680
Accounting Services		2,520	3,040
		<u>131,601</u>	<u>130,514</u>

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

7 Charitable activities

	2020	2019
Grants made to school in respect of:		
- Donation toward the School	17,868	26,237
- Donations toward School equipment	-	14,930
- Donations toward Rowing Equipment	-	11,437
- Pupils Scholarships via Lune Scholarship	10,098	7,444
- InspirUS Costs	35,979	37,929
- Extra Curricular / Annual Fund	49,751	70,440
- Bursaries	-	7,788
- Opportunities Fund	3,249	5,708
- Donations of Lettings Income	14,000	25,710
- Classics Funding	100	-
- Shaun Higgins Memorial	-	6,901
- Archives Project	7	1,130
	<u>131,052</u>	<u>215,654</u>

8 Tangible Fixed Assets

	Land & Buildings	Total
At cost		
Balance at 1 September 2019	2,500,000	2,500,000
Additions	-	-
Disposals	-	-
Balance at 31 August 2020	<u>2,500,000</u>	<u>2,500,000</u>
Depreciation		
Balance at 1 September 2019	-	-
Depreciation charge year	-	-
Balance at 31 August 2020	<u>-</u>	<u>-</u>
	-	-
Net book value		
At 31 August 2020	<u>2,500,000</u>	<u>2,500,000</u>
At 31 August 2019	<u>2,500,000</u>	<u>2,500,000</u>

As discussed within the accounting policy note, the buildings have been re-valued using the 2011 insurance policy before their transfer to Lancaster Royal Grammar School Academy. The residual balance of £2,500,000 relates wholly to non-depreciable land held by the Charity.

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

9 Investments

	235/11,939 COIF units	UK Equities	Total
Cost			
Balance at 1 September 2019	1,206	31,074	32,280
Additions in the year	-	-	-
Balance at 31 August 2020	<u>1,206</u>	<u>31,074</u>	<u>32,280</u>
Market value			
Balance at 1 September 2019	2,609	16,242	18,851
Additions in the year	-	-	-
Changes in the year	-	(4,407)	(4,407)
Balance at 31 August 2020	<u>2,609</u>	<u>11,835</u>	<u>14,444</u>

COIF Units are deposits in the COIF Charities Deposit Fund managed on the Charity's behalf by CCLA Investment Management Limited.

The UK Equities investment is 251,815 ordinary shares in Immotion Group PLC that were gifted to the Charity upon the company's flotation on 9th July 2018.

10 Debtors

	2020	2019
Rent on Summer Lets	-	8,120
Income tax on gift aid and covenants	<u>3,761</u>	<u>4,137</u>
	<u>3,761</u>	<u>12,257</u>

11 Creditors due within one year

	2020	2019
Bank loans	128,702	124,371
Amounts owed to LRGS	120,681	147,280
Accruals and deferred income	2,520	2,520
Corporation Tax	-	-
	<u>251,903</u>	<u>274,171</u>

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

12 Creditors falling due after one year

	2020	2019
Bank loans	<u>964,594</u>	<u>1,099,885</u>
	<u>964,594</u>	<u>1,099,885</u>

£776,422 of the bank loan is secured by way of a legal charge over Gardyner House, Quernmore Road, Lancaster.

£316,874 of the bank loan is secured by way of a legal charge over Storey House, East Road, Lancaster.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2020	2019
Bank loan	<u>405,033</u>	<u>552,063</u>
	<u>405,033</u>	<u>552,063</u>

The Barclays bank loan drawn down in August 2008 is repayable in 240 monthly instalments from the first drawdown date. Half of the loan is repayable at a fixed rate of 5.85% and the remaining half at 0.49% over the Barclays Bank variable rate.

The Yorkshire bank loan drawn down in July 2012 is repayable in 180 monthly instalments from the first drawdown date. Half the loan is repayable at a fixed rate of 4.91% and the remaining half at 2.5% over the 3 month BBA Sterling LIBOR rate.

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

13 Funds

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Opening balance at 1 September 2019	1,180,260	165,754	131	9,517	11,029	1,366,691
Net (outgoing)/ incoming resources	142,697	(69,131)	-	(1,858)	(542)	71,166
	<u>1,322,957</u>	<u>96,623</u>	<u>131</u>	<u>7,659</u>	<u>10,487</u>	<u>1,437,857</u>

FUND PURPOSES

Endowment Fund

This fund relates to servicing the loans on the boarding houses that are rented to Lancaster Royal Grammar School and to external groups during the school holidays.

Development Appeal Fund

This fund provides support to Lancaster Royal Grammar School for capital and revenue projects that support the education of the pupils at the school

Sedgwick Bequest for Works of Art

This fund supports the purchase and display of works of art for the encouragement of boys in their artistic endeavours.

Lune Scholarship

This fund supports boys from disadvantaged backgrounds with the provision of grants to enable them to attend the school and participate in a wide range of activities

Opportunities Fund

This fund supports boys from disadvantaged backgrounds to enable them to take a place on a school trip that will have a significant impact on their education.

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

14 Related Party Transactions

The Charity has a number of related costs with the main school. Normally the school incurs the cost, and then a proportion of the cost is recharged to the Charity at a fair estimate.

All the staff costs of the Charity are recharges from the main school. The school employs all members of staff, and then recharges either their whole cost or a proportion of their cost, based on work undertaken for the Charity. In the year £108,456 (2019: £105,048) in staff costs were recharged by the school to the Charity. There was an average of 3 FTE staff recharges to the charity in the year (2019: 3)

The analysis of staff costs is shown below:

	2020	2019
Gross salaries	82,351	82,068
Social Security Costs	11,364	8,208
Superannuation	14,741	14,772
	<u>108,456</u>	<u>105,048</u>

The Charity has no actual employees of its own, due to this no employees had employee benefits in excess of £60,000 in this or the previous year, there was also no key personnel remuneration.

There was no trustee' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

15 Financial instruments

Financial instruments measured at amortised cost comprise the loan financing provided to the charity.

	2020	2019
Loan payable falling due within 1 year	128,702	124,371
Loan payable falling due in more than 1 year but less than 5 years	559,561	547,822
Loan payable falling due after 5 years	405,033	552,063
	<u>1,093,296</u>	<u>1,224,256</u>
Financial liabilities	123,201	149,800
Debt instruments	3,761	12,257
Equity instruments	14,444	18,851

Lancaster Royal Grammar School Charity
Notes forming part of the financial statements
For the year ended 31 August 2020

16 Analysis of group net assets between funds

Analysis of charity net assets between funds for 2020

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Tangible fixed assets	2,500,000	-	-	-	-	2,500,000
Investments	2,609	-	-	11,835	-	14,444
Debtors	-	3,761	-	-	-	3,761
Cash at bank	-	129,707	131	(4,176)	10,487	136,149
Creditors	(1,093,296)	(123,201)	-	-	-	(1,216,497)
	<u>1,409,313</u>	<u>10,267</u>	<u>131</u>	<u>7,659</u>	<u>10,487</u>	<u>1,437,857</u>

Analysis of charity net assets between funds for 2019

	Endowment Fund £	Development Appeal Fund £	Sedgwick Bequest for Works of Art £	Lune Scholarship £	Opportunities fund £	Total £
Tangible fixed assets	2,500,000	-	-	-	-	2,500,000
Investments	2,609	-	-	16,242	-	18,851
Debtors	8,120	4,137	-	-	-	12,257
Cash at bank	-	205,204	131	(6,725)	11,029	209,639
Creditors	(1,224,256)	(149,800)	-	-	-	(1,374,056)
	<u>1,286,473</u>	<u>59,541</u>	<u>131</u>	<u>9,517</u>	<u>11,029</u>	<u>1,366,691</u>