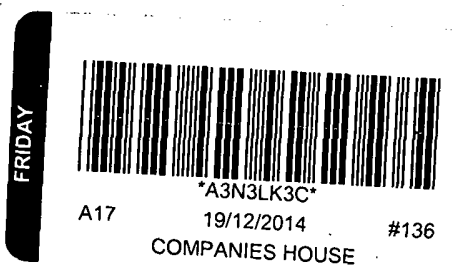


REGISTERED COMPANY NUMBER: 02739356 (England and Wales)
REGISTERED CHARITY NUMBER: 1015449

**Strategic Report, Report of the Trustees and
Audited Financial Statements for the Year Ended
31 July 2014
for**

**Derby Grammar School Trust Limited
(A company limited by guarantee)**

HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY



Derby Grammar School Trust Limited
(A company limited by guarantee)

Contents of the Financial Statements
for the Year Ended 31 July 2014

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Derby Grammar School Trust Limited
(A company limited by guarantee)

Strategic Report
for the Year Ended 31 July 2014

The trustees present their strategic report for the year ended 31 July 2014.

ACHIEVEMENTS AND PERFORMANCE

The Trustees believe that it is important that the benefit of education at Derby Grammar School is made available to children of families who would not otherwise be able to afford school fees. Within the constraints of the School's small size and lack of any permanent endowment, we offer bursary awards to those who meet our general entry requirements on the basis of the parental means and also in cases where a pupil's education would otherwise be put at risk. In assessing means we use the methodology suggested by the Independent Schools' Bursars Association, taking into account income from all sources, capital and savings and family circumstances including dependent relatives and the number of siblings. In funding these awards the Trustees have to be mindful of achieving a balance between fee-paying families, many of which have made considerable sacrifices to fund their child's education, and those benefitting from the awards.

We offer bursaries ranging from 5% to 100% remission of fees. Parents joining the School are made aware of the bursaries available.

Awards offered during this year amount to £102,547 (3.5% of fees); those taken up amount to £97,115 (3.3% of fees), representing an increase of £32,641 on 2013.

In addition, the School has demonstrated its commitment to the public in many other ways, including:

Raising in excess of £6,500 for Children in Need.

Events in support of the homeless (including teenage homeless in the Derby area)

Pupils from years 10, 11 and 12 involved in community work

Free use of playing fields to local sports clubs

Reduced charges for use of school facilities for musical events

Providing concerts in the local community

The school has now established a stronger link with a village and school community in Tanzania and it is likely that this will be taken forward in future years. This same community has also been helped during the year by the junior school.

By far the largest contribution made by the School to the public benefit, but not currently recognised as such by the Charity Commission, is the saving of approximately £5.5k per pupil - £1.5m - for our School from the public exchequer, funds that without the availability of independent education, would otherwise have had to be spent in providing education at local state schools.

FINANCIAL REVIEW

The balance sheet shows the assets and liabilities of the various funds by type. Note 17 describes the various trusts of the charity and summarises the movements for the year on each fund.

The Trustees believe that a reasonable level of reserves should equate to two term's expenses. There remains much work to do in this respect, which will be achieved by stimulating local demand for the School, in order to attain higher sustainable numbers of pupils attending, and by general purpose appeals from time to time.

The Trustees have continued to keep the secured overdraft under review to ensure that, whilst reserves remain less than ideally required, it remains adequate to cover the school's working capital requirements.

PLANS FOR FUTURE PERIODS

The Trustees' plan for future periods is one of consolidation whilst continuing to expand access into our co-educational sixth form to pupils from local schools without sixth form facilities and also maximising our capacity at Junior School level.

However, in common with many independent schools (apart from those in London and the South-East) pupil numbers for 2014-2015 are disappointing. An excellent report following a school inspection in October 2014 should prove to be a major factor in achieving growth in interest over the next year or so.

For the immediate future, a school wide Wi-Fi network has been installed to enhance teaching and learning and the provision of IT within the classroom environment.

Derby Grammar School Trust Limited
(A company limited by guarantee)

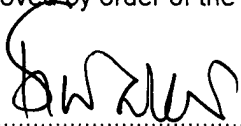
Strategic Report
for the Year Ended 31 July 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees view the principal area of risk as being the uncertainty at the time of the preparation of the budget going forward regarding the number of pupils who will attend the school. Steps taken to mitigate this risk are the production of sensitivity analyses, the formulation of a plan to minimise running expenses, and above all encouragement to secure as many pupils as may be practical for the future. As a precaution the trustees review the budget at the beginning of the academic year to ensure that it represents something still achievable.

Approved by order of the board of trustees on15.12.14..... and signed on its behalf by:



.....
Mr D I Walker - Trustee

Derby Grammar School Trust Limited
(A company limited by guarantee)

Report of the Trustees
for the Year Ended 31 July 2014

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02739356 (England and Wales)

Registered Charity number
1015449

Registered office

Rykneld Hall
Rykneld Road
Littleover
Derby
Derbyshire
DE23 4BX

Trustees

Mr D I Walker
Mrs E A Atkinson
Mr R A Kington

Chairman

Company Secretary

Miss J A Jameson MAAT

Auditors

HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Solicitors

Flint Bishop LLP
St Michael's Court
St Michael's Lane
Derby
DE1 3HQ

Bankers

Barclays Bank PLC
P.O. Box 493
Sir Frank Whittle Road
Derby
DE1 2JT

Derby Grammar School Trust Limited
(A company limited by guarantee)

Report of the Trustees
for the Year Ended 31 July 2014

REFERENCE AND ADMINISTRATIVE DETAILS

Patron

Sir Nigel Rudd

Governors

The Board Of Trustees

P Sterling

S Richardson

J Taylor

I Beardmore

Mrs M Viles

Headmaster

Mr R D Paine BA (Hons)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company, incorporated under the Companies Act 1985 and 1989, is limited by guarantee and does not have a share capital. Its registered number is 2739356, and the company is also registered as a charity under the Charities Act 1993, number 1015449.

Recruitment and appointment of new trustees

The company's Articles of Association allow for Trustees to serve for a three year term. Trustees must retire at the annual general meeting following their completion of three years' service, but may stand for re-election.

The Board has the power at any time, and from time to time, to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees, subject to the total number of Trustees at any time not exceeding sixteen. Any Trustee appointed holds office only until the next following annual general meeting, and then becomes eligible for re-election.

New Trustees are generally found from the contacts and networking of existing Trustees to provide for the school a wide range of skills.

Induction and training of new trustees

The school follows the guidelines in respect of this matter issued by the Independent Schools Association.

Organisational structure

The Board of Trustees administers the charity. The Board meets four times a year, as do the Governors, and there are sub-committees covering finance, property, health & safety and marketing & development which also meet at least four times a year.

A separate Board of Governors is responsible for the operation of the school.

The headmaster, appointed by the Trustees, manages the day to day operations of the school.

Related parties

Derby Grammar School Foundation (DGSF) (Charity Number 1078193) is a connected charity within the meaning of the Statement of Recommended Practice, by virtue of the majority of its Trustees also being Trustees of this company.

An amount of £462,378 remains as an interest free loan to the School with no fixed date for repayment.

The Trustees are grateful to DGSF for its continuing support.

Derby Grammar School Trust Limited
(A company limited by guarantee)

Report of the Trustees
for the Year Ended 31 July 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object for which the company was established is to educate children in the City of Derby, South Derbyshire and Burton-Upon-Trent from the ages of 7 to 18.

The principal aim of the school is to increase the number of pupils ultimately to 480 aged from 7 to 18. In addition the school hopes to develop links with local state schools, particularly those without their own sixth forms, with a view to being able to offer sixth form places to their pupils; bursaries, the level of which will be means tested will be made available for this purpose.

Significant activities

The school is fortunate in having a staff more than willing to devote time to a substantial number of extra-mural activities, designed to give pupils experience over and above the curriculum, with the aim that by the time pupils leave the school, they will be confident, articulate, self assured and well prepared for life beyond school.

Grantmaking

The Governors of Derby Grammar School are committed to broadening access to the School by offering to eligible parents/guardians means-tested financial support with the payment of the School's fees. Such support is known as a Bursary and these may be awarded in the form of a discount of up to 100% on tuition fees payable, depending on the financial, compassionate or other pertinent circumstances of applicants.

Grants and bursaries, all of which are made from unrestricted funds, are subject to repeat testing of parental means each year and may be varied upwards or downwards, depending on parental circumstances.

FINANCIAL REVIEW

Business Review

This report covers the nineteenth year of the school, during which the number of pupils attending reached 282, of which 223 were senior pupils. The number of pupils is one of the principal key performance indicators, and the Trustees consider this level to be satisfactory.

The year has produced a surplus, which the Council of Management considers satisfactory, and representing a year of further consolidation. Again, this is one of the principal key performance indicators.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity and have prepared the accounts in accordance with the Companies Act 2006.

PUBLIC BENEFIT

The Trustees have complied with the duty imposed by s4 Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Derby Grammar School Trust Limited
(A company limited by guarantee)

Report of the Trustees
for the Year Ended 31 July 2014

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Derby Grammar School Trust Limited (A company limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, HSKS Greenhalgh, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15.12.14 and signed on its behalf by:



Mr D I Walker - Trustee

**Report of the Independent Auditors to the Members of
Derby Grammar School Trust Limited
(A company limited by guarantee)**

We have audited the financial statements of Derby Grammar School Trust Limited (A company limited by guarantee) for the year ended 31 July 2014 on pages nine to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other Matter

In our opinion the information given in the Strategic Report and Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Derby Grammar School Trust Limited
(A company limited by guarantee)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kultaran Singh FCA (Senior Statutory Auditor)
for and on behalf of HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Date: 16.12.2014

Derby Grammar School Trust Limited
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2014

	Notes	Unrestricted fund £	Restricted fund £	Endowment funds £	2014 Total funds £	2013 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	5,116	-	-	5,116	12,017
Investment income	3	10,904	-	217	11,121	14,117
Incoming resources from charitable activities						
Education	4	2,787,546	-	-	2,787,546	2,848,773
Welfare		121,606	-	-	121,606	121,624
Support		52,061	-	-	52,061	49,346
Other incoming resources		80	-	-	80	-
Total incoming resources		2,977,313	-	217	2,977,530	3,045,877
RESOURCES EXPENDED						
Charitable activities						
Education	5	2,117,900	-	-	2,117,900	2,137,531
Welfare		178,067	-	-	178,067	176,877
Premises		283,408	-	-	283,408	273,727
Support		282,947	-	120	283,067	287,298
Finance		24,073	-	-	24,073	24,513
Governance costs	6	12,983	-	-	12,983	11,390
Total resources expended		2,899,378	-	120	2,899,498	2,911,336
NET INCOME FOR THE YEAR		77,935	-	97	78,032	134,541
Unrealised gains on fixed asset investments		-	-	161	161	(922)
Net movement in funds		77,935	-	258	78,193	133,619
RECONCILIATION OF FUNDS						
Total funds brought forward		1,019,851	27,102	7,424	1,054,377	920,758
TOTAL FUNDS CARRIED FORWARD		1,097,786	27,102	7,682	1,132,570	1,054,377

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

Derby Grammar School Trust Limited
(A company limited by guarantee)

Balance Sheet
At 31 July 2014

	Notes	Unrestricted fund £	Restricted fund £	Endowment funds £	2014 Total funds £	2013 Total funds £
FIXED ASSETS						
Tangible assets	10	2,995,809	-	-	2,995,809	3,027,652
Investments	11	27,610	-	5,131	32,741	32,580
		<u>3,023,419</u>	<u>-</u>	<u>5,131</u>	<u>3,028,550</u>	<u>3,060,232</u>
CURRENT ASSETS						
Debtors	12	1,022,312	-	-	1,022,312	970,436
Cash at bank and in hand		964	27,102	2,551	30,617	30,442
		<u>1,023,276</u>	<u>27,102</u>	<u>2,551</u>	<u>1,052,929</u>	<u>1,000,878</u>
CREDITORS						
Amounts falling due within one year	13	(1,722,632)	-	-	(1,722,632)	(1,685,897)
		<u>(699,356)</u>	<u>27,102</u>	<u>2,551</u>	<u>(669,703)</u>	<u>(685,019)</u>
NET CURRENT ASSETS/(LIABILITIES)						
		<u>(699,356)</u>	<u>27,102</u>	<u>2,551</u>	<u>(669,703)</u>	<u>(685,019)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,324,063	27,102	7,682	2,358,847	2,375,213
CREDITORS						
Amounts falling due after more than one year	14	(1,226,277)	-	-	(1,226,277)	(1,320,836)
		<u>(1,226,277)</u>	<u>-</u>	<u>-</u>	<u>(1,226,277)</u>	<u>(1,320,836)</u>
NET ASSETS		<u>1,097,786</u>	<u>27,102</u>	<u>7,682</u>	<u>1,132,570</u>	<u>1,054,377</u>
FUNDS	17					
Unrestricted funds					1,097,786	1,019,851
Restricted funds					27,102	27,102
Endowment funds					7,682	7,424
TOTAL FUNDS					<u>1,132,570</u>	<u>1,054,377</u>

The notes form part of these financial statements

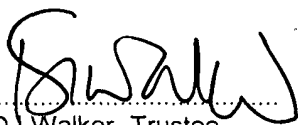
Derby Grammar School Trust Limited
(A company limited by guarantee)

Balance Sheet - continued
At 31 July 2014

The financial statements were approved by the Board of Trustees on 15.12.14 and were signed on its behalf by:



Mrs E A Atkinson -Trustee



Mr D J Walker -Trustee

Derby Grammar School Trust Limited
(A company limited by guarantee)

Cash Flow Statement
for the Year Ended 31 July 2014

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	1	151,984	207,221
Returns on investments and servicing of finance	2	(15,692)	(16,821)
Capital expenditure and financial investment	2	(33,542)	(34,979)
		<hr/>	<hr/>
		102,750	155,421
Financing	2	(84,694)	(88,235)
		<hr/>	<hr/>
Increase in cash in the period		<u>18,056</u>	<u>67,186</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase in cash in the period		18,056	67,186
Cash outflow from decrease in debt and lease financing		84,791	88,532
		<hr/>	<hr/>
Change in net debt resulting from cash flows		102,847	155,718
		<hr/>	<hr/>
Movement in net debt in the period		102,847	155,718
Net debt at 1 August		<u>(1,557,510)</u>	<u>(1,713,228)</u>
		<hr/>	<hr/>
Net debt at 31 July		<u>(1,454,663)</u>	<u>(1,557,510)</u>

The notes form part of these financial statements

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Cash Flow Statement
for the Year Ended 31 July 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Net incoming resources	78,032	134,541
Depreciation charges	65,465	70,242
Profit on disposal of fixed assets	(80)	-
Interest received	(218)	(216)
Interest paid	15,610	15,868
Interest element of hire purchase and finance lease rental payments	300	1,169
Income attributable to endowment	(217)	(216)
Expenditure attributable to endowment	120	120
Donated assets	-	(3,203)
Transfers	-	(200)
Increase in debtors	(51,876)	(31,704)
Increase in creditors	44,848	20,820
Net cash inflow from operating activities	151,984	207,221

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	218	216
Interest paid	(15,610)	(15,868)
Interest element of hire purchase and finance lease rental payments	(300)	(1,169)
Net cash outflow for returns on investments and servicing of finance	(15,692)	(16,821)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(33,622)	(34,979)
Sale of tangible fixed assets	80	-
Net cash outflow for capital expenditure and financial investment	(33,542)	(34,979)
Financing		
Benefactor loans received in year	100,000	50,750
Benefactor loan repayments in year	(131,500)	(81,500)
Bank loan repayments in year	(53,291)	(52,066)
Capital repayments in year	-	(5,515)
Income attributable to endowment	217	216
Expenditure attributable to endowment	(120)	(120)
Net cash outflow from financing	(84,694)	(88,235)

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Cash Flow Statement
for the Year Ended 31 July 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/8/13 £	Cash flow £	At 31/7/14 £
Net cash:			
Cash at bank and in hand	30,442	175	30,617
Bank overdrafts	(371,478)	17,881	(353,597)
	<u>(341,036)</u>	<u>18,056</u>	<u>(322,980)</u>
Debt:			
Debts falling due within one year	(83,500)	22,362	(61,138)
Debts falling due after one year	(1,132,974)	62,429	(1,070,545)
	<u>(1,216,474)</u>	<u>84,791</u>	<u>(1,131,683)</u>
Total	<u>(1,557,510)</u>	<u>102,847</u>	<u>(1,454,663)</u>

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Financial Statements
for the Year Ended 31 July 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The School meets its day to day working capital requirements through an overdraft facility and short term loans from benefactors.

The nature of the schools activities is such that there is considerable variation in the timing of the cash flows, and in particular the receipt of school fees (being linked to the start of each term) and the uncertainty of the date of repayment of benefactor loans amounting to £169,725, which have been classified as due in over 1 year in the financial statements.

The trustees have prepared cash flow information for the period ended 31 July 2016, excluding repayment of the benefactor loans on the assumption that repayment will not become due. They have also considered the remainder of the period ending 12 months from the date of approval of the financial statements. On the basis of this cash flow information and discussions with the charity's benefactors, the trustees consider that the school will continue to operate within the facilities currently agreed and within that which they expect to be agreed in April 2015, when the school's bankers are due to consider renewing the facility for a further year.

However, the margin of facilities over requirements is not large and, inherently, there can be no certainty in relation to these matters.

On this basis, the trustees consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of facilities by the company's bankers or the company's benefactors.

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

Income represents the amounts derived from school fees, voluntary contributions, and other activities including donated assets. The charity is not registered for value added tax purposes.

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. The school is not registered for VAT purposes, and accordingly VAT is included as part of the expense to which it relates.

Grants and bursaries

Grants and bursaries, all of which are made from unrestricted funds, are treated as a deduction from fee amounts billed. More details with regards to the School's bursary programme can be found in the Trustees' report.

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- at varying rates on cost
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

Investments

Investments are shown in the balance sheet at their market value at the balance sheet date. Surpluses and deficiencies arising on sale are reflected in the year of disposal.

Taxation

The charity is exempt from corporation tax on its charitable activities, but can reclaim income tax on certain voluntary income.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The endowment fund is in respect of funds for prizes awarded on Speech Day every year; further explanation of each fund is detailed on Note 17.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

Pension costs and other post-retirement benefits

The School participates in a multi employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers Pension scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the School. Accordingly, under Financial Reporting Standard 17 the scheme is accounted for as if it were a defined contributions scheme.

The School operates a money purchase scheme for non teaching staff.

Contributions to both schemes are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

2. VOLUNTARY INCOME

	2014	2013
	£	£
Gifts and donations	5,086	11,987
Gift aid	30	30
	<u>5,116</u>	<u>12,017</u>

3. INVESTMENT INCOME

	2014	2013
	£	£
Rents received	10,903	13,901
Interest received	218	216
	<u>11,121</u>	<u>14,117</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2014	2013
	£	£
School fees	2,756,769	2,809,537
Registration fees	3,540	4,640
Other income	27,237	34,596
School fees	121,606	121,624
Other income	52,061	49,346
	<u>2,961,213</u>	<u>3,019,743</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Education	2,117,900	2,117,900
Welfare	178,067	178,067
Premises	283,408	283,408
Support	283,067	283,067
Finance	24,073	24,073
	<u>2,886,515</u>	<u>2,886,515</u>

6. GOVERNANCE COSTS

	2014	2013
	£	£
Accountancy	1,200	1,176
Public liability insurance	3,083	1,974
Auditors' remuneration	8,400	7,640
Auditors' remuneration for non-audit work	300	600
	<u>12,983</u>	<u>11,390</u>

Derby Grammar School Trust Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2014	2013
	£	£
Auditors' remuneration	8,400	7,640
Auditors' remuneration for non-audit work	300	600
Depreciation - owned assets	65,465	63,812
Depreciation - assets on hire purchase contracts and finance leases	-	6,430
Surplus on disposal of fixed asset	(80)	-
	<u> </u>	<u> </u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2014 nor for the year ended 31 July 2013.

Trustees' expenses

	2014	2013
	£	£
The following expenses were paid to trustees	Nil	Nil

Derby Grammar School Trust Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

9. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	1,859,150	1,776,972
Social security costs	148,275	143,348
Other pension costs	220,697	214,544
	<u>2,228,122</u>	<u>2,134,864</u>

The average monthly number of employees during the year was as follows:

	2014	2013
School	51	50
Catering	7	7
Administration	5	5
Property	9	8
Marketing	1	1
	<u>73</u>	<u>71</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2014	2013
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-

Pension contributions made in respect of higher paid employees were as follows:

	2014	2013
	£	£
Contributions to employees' pensions	10,006	9,847

Derby Grammar School Trust Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 August 2013	3,425,808	960,902	53,461	4,440,171
Additions	5,618	28,004	-	33,622
Disposals	(44,413)	(3,181)	-	(47,594)
At 31 July 2014	<u>3,387,013</u>	<u>985,725</u>	<u>53,461</u>	<u>4,426,199</u>
DEPRECIATION				
At 1 August 2013	461,354	901,702	49,463	1,412,519
Charge for year	37,846	27,619	-	65,465
Eliminated on disposal	(44,413)	(3,181)	-	(47,594)
At 31 July 2014	<u>454,787</u>	<u>926,140</u>	<u>49,463</u>	<u>1,430,390</u>
NET BOOK VALUE				
At 31 July 2014	<u>2,932,226</u>	<u>59,585</u>	<u>3,998</u>	<u>2,995,809</u>
At 31 July 2013	<u>2,964,454</u>	<u>59,200</u>	<u>3,998</u>	<u>3,027,652</u>

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 August 2013	32,580
Revaluations	161
At 31 July 2014	<u>32,741</u>
NET BOOK VALUE	
At 31 July 2014	<u>32,741</u>
At 31 July 2013	<u>32,580</u>

There were no investment assets outside the UK.

The unrestricted fund investments comprise historic assets donated to the School. There exist other historic assets comprised within the fabric of the School, which are not accounted for here or elsewhere in the financial statements.

Derby Grammar School Trust Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
School fee debtors	951,789	914,216
Other debtors	70,523	56,220
	<u>1,022,312</u>	<u>970,436</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loans and overdrafts (see note 15)	406,597	423,478
Other loans (see note 15)	8,138	31,500
Trade creditors	18,055	8,052
Social security and other taxes	45,669	40,622
Pension costs	30,858	27,614
School deposits	18,030	14,830
Other creditors and accruals	161,209	131,592
School fees in advance	1,034,076	1,008,209
	<u>1,722,632</u>	<u>1,685,897</u>

There is in place an overdraft facility of £625,000. These facilities have been reviewed and renewed in April 2014. They are due for a further review in April 2015.

This facility carries interest at a variable rate set at 3.84% above base rate of Barclays Bank Plc.

Security for all bank borrowings is shown in Note 16.

Benefactors have guaranteed £325,000 of the bank borrowings at certain times of the year.

In addition, a facility is available to draw down when needed from one of the School's benefactors to assist the cashflow as required.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Bank loans (see note 15)	438,443	492,734
Other loans (see note 15)	632,102	640,240
School deposits	91,163	100,363
School fees in advance	64,569	87,499
	<u>1,226,277</u>	<u>1,320,836</u>

Derby Grammar School Trust Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

The bank loan of £491,443 funded previous years' fixed asset purchases.

The loan is repayable over a period of 20 years, repayments having started in January 2006. The bank have the right to ask for immediate repayment of the whole of the loan outstanding if any of the terms and conditions of the loan are breached.

The loan carries interest at a variable rate set at 1.5% above the base rate of Barclays Bank plc.

Loans from benefactors have no fixed date for repayment but repayments may be made within the next five years.

Loans from benefactors carry interest at a variable rate set at 1% above the base rate of Barclays Bank plc, with the exception of loans totalling £637,741 which remain interest free.

15. LOANS

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	353,597	371,478
Bank loans	53,000	52,000
Other loans	8,138	31,500
	<u>414,735</u>	<u>454,978</u>
Amounts falling between one and two years:		
Bank loans	53,000	52,000
Other loans	-	6,138
	<u>53,000</u>	<u>58,138</u>
Amounts falling due between two and five years:		
Bank loans	<u>159,000</u>	<u>159,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	<u>226,443</u>	<u>281,734</u>
Repayable otherwise than by instalments:		
Other loans	<u>632,102</u>	<u>634,102</u>

Derby Grammar School Trust Limited
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Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

16. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank overdraft	353,597	371,478
Bank loans	491,443	544,734
Other loans	169,275	169,725
	<u>1,014,315</u>	<u>1,085,937</u>

Barclays Bank holds the following security for its loan and overdraft facilities:

- a first legal charge over the School's buildings and certain property
- a debenture over the School's other assets
- a keyman insurance policy
- guarantees given by two benefactors and a member of the Trustees

Assets held under finance leases are secured by the asset which has been financed.

Loans from benefactors totalling £169,725 are secured by way of a second fixed charge over part of the company's freehold land and buildings.

17. MOVEMENT IN FUNDS

	At 1/8/13	Net movement in funds	At 31/7/14
	£	£	£
Unrestricted funds			
General fund	1,019,851	77,935	1,097,786
Restricted funds			
Development fund	27,102	-	27,102
Endowment funds			
The Caroline Booth memorial prize fund	1,937	20	1,957
The Dr W R C Chapman prize fund	711	34	745
The Duke Of Devonshire prize fund	1,434	72	1,506
The Dermot Murray prize fund	1,827	96	1,923
The MacMillan prize fund	688	36	724
The Thomas Dakin prize fund	827	-	827
	<u>7,424</u>	<u>258</u>	<u>7,682</u>
TOTAL FUNDS	<u>1,054,377</u>	<u>78,193</u>	<u>1,132,570</u>

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,977,313	(2,899,378)	-	77,935
Endowment funds				
The Caroline Booth memorial prize fund	21	(20)	19	20
The Dr W R C Chapman prize fund	28	(20)	26	34
The Duke Of Devonshire prize fund	49	(20)	43	72
The Dermot Murray prize fund	61	(20)	55	96
The MacMillan prize fund	28	(20)	28	36
The Thomas Dakin prize fund	30	(20)	(10)	-
	217	(120)	161	258
TOTAL FUNDS	<u>2,977,530</u>	<u>(2,899,498)</u>	<u>161</u>	<u>78,193</u>

The Development Fund was established in the year ended 31 July 2007 for the purpose of the development of the proposed sports hall.

The Caroline Booth Memorial Prize Funds were established in 1997 by J H Booth in memory of his mother to fund music prizes.

The Dr W R C Chapman Prize Fund was established in 1999 by Sir Nigel Rudd in memory of a past headmaster of Bemrose School, Derby to fund a mathematics prize.

The Duke of Devonshire Prize Fund was established in 2000 by His Grace the Duke of Devonshire to fund a prize for natural sciences.

The Dermot Murray Prize Fund was established to promote interest in science and to encourage the formal presentation of short papers on matters of scientific interest.

The MacMillan Prize Fund was established in 2004 by Mr John Blackton in memory of Mr H B MacMillan to fund a senior mathematics prize.

The Thomas Dakin Prize Fund was established in 2004 by Mr S Critchell-Ward to fund the Esprit de Corps prize.

18. RELATED PARTY DISCLOSURES

During the year, the charity received donations totalling £NIL (2013: £200), loans totalling £NIL (2013: £750) and repaid loans amounting to £31,500 (2013: £31,500) to a Trustee and a charitable organisation, with which the school is affiliated, as noted in the Report of the Trustees. Amounts owed to a Trustee totalled £6,138 (2013: £13,638) as at 31 July 2014, and amounts owed to the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £464,378 (2013: £488,378) as at 31 July 2014.

All transactions were at an arms length.

19. ULTIMATE CONTROLLING PARTY

The Charity is controlled by the members.

Derby Grammar School Trust Limited
(A company limited by guarantee)

Notes to the Financial Statements - continued
for the Year Ended 31 July 2014

20. COMPANY STATUS

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

21. GOING CONCERN

The Trustees remain grateful to the benefactors of the School, who have assisted financially in different ways. Support of this nature and also that provided by the School's bankers will remain essential in the foreseeable future.

The Trustees consider that, in preparing the financial statements, they have taken into account all information that could reasonably be expected to be available. On this basis, they consider it is appropriate to prepare the financial statements on the going concern basis. This assumes that the predicted number of pupils as recorded in the budgets are achieved.

The financial statements have been prepared in the knowledge that continuing financial support is available from the School's benefactors and bankers.

22. PENSIONS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £209,289 (2013: £202,335) and at the year-end £29,935 (2013 - £27,050) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

The Department of Education is also proposing that scheme administration costs will be devolved to scheme employers in the form of an administration charge. The Department provisionally estimates that the administration charge will be 0.08% of the employers' salary costs which would increase the employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The school also administers a stakeholder scheme for its non-teaching staff. The cost for the year represents the school's contributions to the scheme of £786 (2013: £767).

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

Derby Grammar School Trust Limited
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Detailed Statement of Financial Activities
for the Year Ended 31 July 2014

	2014 £	2013 £
INCOMING RESOURCES		
Voluntary income		
Gifts and donations	5,086	11,987
Gift aid	30	30
	<hr/> 5,116	<hr/> 12,017
Investment income		
Rents received	10,903	13,901
Interest received	218	216
	<hr/> 11,121	<hr/> 14,117
Incoming resources from charitable activities		
School fees	2,878,375	2,931,161
Registration fees	3,540	4,640
Other income	79,298	83,942
	<hr/> 2,961,213	<hr/> 3,019,743
Other incoming resources		
Gain on sale of tangible fixed assets	80	-
	<hr/>	<hr/>
Total incoming resources	2,977,530	3,045,877
RESOURCES EXPENDED		
Charitable activities		
Wages	1,859,150	1,776,972
Social security	148,275	143,348
Pensions	220,697	214,544
Rates and refuse collection	15,184	14,758
Insurance	22,489	21,675
Utilities	49,908	52,083
Telephone	4,627	5,187
Postage and stationery	10,668	8,120
Marketing	29,918	32,129
Sundry expenses	10,514	10,683
Motor expenses	5,338	5,937
Repairs and maintenance	99,805	97,982
Legal and professional fees	3,165	4,819
Bank charges	8,163	7,476
Other school operating costs	317,239	416,954
Depreciation - freehold property	37,846	38,876
Depreciation - plant & machinery	27,619	24,936
Depreciation - motor vehicles	-	6,430
Bank interest	3,278	4,406
Bank loan interest	12,332	11,462
Finance lease interest	300	1,169
	<hr/> 2,886,515	<hr/> 2,899,946

This page does not form part of the statutory financial statements

Derby Grammar School Trust Limited
(A company limited by guarantee)

Detailed Statement of Financial Activities
for the Year Ended 31 July 2014

	2014	2013
	£	£
Governance costs		
Accountancy	1,200	1,176
Public liability insurance	3,083	1,974
Auditors' remuneration	8,400	7,640
Auditors' remuneration for non-audit work	300	600
	<hr/> 12,983	<hr/> 11,390
Total resources expended	2,899,498	2,911,336
	<hr/>	<hr/>
Net income	<u><u>78,032</u></u>	<u><u>134,541</u></u>