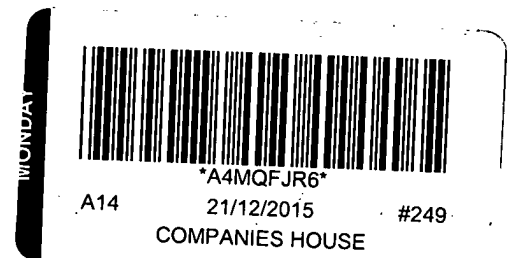


**REGISTERED COMPANY NUMBER: 02739356 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1015449**

**Strategic Report, Report of the Trustees and  
Audited Financial Statements for the Year Ended  
31 July 2015  
for  
Derby Grammar School Trust Limited**



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

**Derby Grammar School Trust Limited**

**Contents of the Financial Statements  
for the Year Ended 31 July 2015**

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# **Derby Grammar School Trust Limited**

## **Strategic Report for the Year Ended 31 July 2015**

The trustees present their strategic report for the year ended 31 July 2015.

### **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 £123,344 (3.9% of fees); those taken up amount to £90,264 (3% of fees), representing a decrease of £6,851 on 2014.

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

Raising in excess of £20,000 for various charities.

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.

The school is considering expanding its sports facilities in the future.

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.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

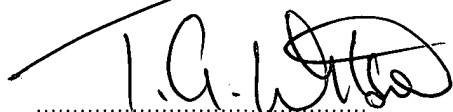
The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**Derby Grammar School Trust Limited**

**Strategic Report  
for the Year Ended 31 July 2015**

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 on 14 December 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T.G. Wilson', written over a dotted line.

Mr T G Wilson - Trustee

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2015**

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 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **TRIBUTE TO PAST CHAIRMAN**

Our first note on the Trust is to report with great sadness of the sudden death of David Walker, our Chairman of Governors.

David was one of the founders of the School and was involved with its creation from some of the very first conversations that were held in the late 1980's. He served on the Governing body from our opening in 1995 and has been Chairman of Governors for the past 14 years.

His passion for the School, its pupils and their achievements has been unwavering over the last twenty years and he has been the source of much wisdom and support behind the scenes to our current and original Headmaster and staff.

David's work over many years has created the legacy of an excellent School that will continue to benefit able children of the city and the local area.

The School has lost a hugely influential friend and supporter; however the remaining members and our newly elected Chairman are confident that we will build on this solid foundation and will continue to develop our successful School in the Derby area.

#### **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	- deceased 25/4/15
Mrs E A Atkinson	
Mr R A Kington	
Mr T G Wilson	- appointed 15/6/15

##### **Company Secretary**

Miss J A Jameson MAAT

##### **Auditors**

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

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2015**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **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

##### **Patron**

Sir Nigel Rudd

##### **Governors**

The Board Of Trustees  
P Sterling  
S Richardson  
J Taylor (resigned 12/5/15)  
I Beardmore  
Mrs M Viles  
I Louch (appointed 22/9/14)  
J Pugh Lewis (appointed 15/12/14)

##### **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.

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2015**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **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.

##### **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 staff who are 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 twentieth year of the school, during which the number of pupils attending reached 276, of which 213 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.

## Derby Grammar School Trust Limited

### Report of the Trustees for the Year Ended 31 July 2015

#### 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.

#### STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Derby Grammar School Trust Limited 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.

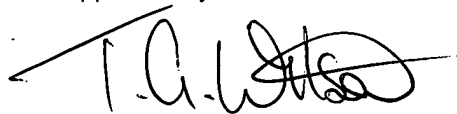
#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 14 December 2015 and signed on its behalf by:



Mr T G Wilson - Trustee



## **Report of the Independent Auditors to the Members of Derby Grammar School Trust Limited**

We have audited the financial statements of Derby Grammar School Trust Limited for the year ended 31 July 2015 on pages nine to twenty six. 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 2015 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**

**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: ..... 17.12.2015 .....

**Derby Grammar School Trust Limited**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 July 2015**

		<b>Unrestricted fund £</b>	<b>Restricted fund £</b>	<b>Endowment funds £</b>	<b>2015 Total funds £</b>	<b>2014 Total funds £</b>
	<b>Notes</b>					
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	6,793	-	-	6,793	5,116
Investment income	3	8,514	-	240	8,754	11,121
<b>Incoming resources from charitable activities</b>						
Education	4	2,835,763	-	-	2,835,763	2,787,546
Welfare		127,361	-	-	127,361	121,606
Support		44,864	-	-	44,864	52,061
Other incoming resources		-	-	-	-	80
<b>Total incoming resources</b>		<b>3,023,295</b>	<b>-</b>	<b>240</b>	<b>3,023,535</b>	<b>2,977,530</b>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Fundraising trading: cost of goods sold and other costs	5	510	-	-	510	-
		510	-	-	510	-
<b>Net incoming/(outgoing) resources available for charitable application</b>		<b>3,022,785</b>	<b>-</b>	<b>240</b>	<b>3,023,025</b>	<b>2,977,530</b>
<b>Charitable activities</b>						
Education	6	2,149,335	-	120	2,149,455	2,117,900
Welfare		179,658	-	-	179,658	178,067
Premises		293,312	-	-	293,312	283,408
Support		275,008	-	-	275,008	283,067
Finance		19,764	-	-	19,764	24,073
Governance costs	7	13,439	-	-	13,439	12,983
<b>Total resources expended</b>		<b>2,931,026</b>	<b>-</b>	<b>120</b>	<b>2,931,146</b>	<b>2,899,498</b>
<b>NET INCOMING RESOURCES</b>		<b>92,269</b>	<b>-</b>	<b>120</b>	<b>92,389</b>	<b>78,032</b>
Realised gains/(losses) on fixed asset investments		-	-	1,969	1,969	-
<b>Net income/(expenditure)</b>		<b>92,269</b>	<b>-</b>	<b>2,089</b>	<b>94,358</b>	<b>78,032</b>
Unrealised gains on fixed asset investments		-	-	36	36	161
<b>Net movement in funds</b>		<b>92,269</b>	<b>-</b>	<b>2,125</b>	<b>94,394</b>	<b>78,193</b>

The notes form part of these financial statements

**Derby Grammar School Trust Limited**

**Statement of Financial Activities - continued  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 July 2015**

	Notes	Unrestricted fund £	Restricted fund £	Endowment funds £	2015 Total funds £	2014 Total funds £
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		1,097,786	27,102	7,682	1,132,570	1,054,377
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,190,055</u>	<u>27,102</u>	<u>9,807</u>	<u>1,226,964</u>	<u>1,132,570</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

**Derby Grammar School Trust Limited**

**Balance Sheet  
At 31 July 2015**

	Notes	Unrestricted fund £	Restricted fund £	Endowment funds £	2015 Total funds £	2014 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	11	2,951,413	-	-	2,951,413	2,995,809
Investments	12	27,609	-	720	28,329	32,741
		<u>2,979,022</u>	<u>-</u>	<u>720</u>	<u>2,979,742</u>	<u>3,028,550</u>
<b>CURRENT ASSETS</b>						
Debtors	13	1,063,382	-	-	1,063,382	1,022,312
Cash at bank and in hand		413	27,102	9,087	36,602	30,617
		<u>1,063,795</u>	<u>27,102</u>	<u>9,087</u>	<u>1,099,984</u>	<u>1,052,929</u>
<b>CREDITORS</b>						
Amounts falling due within one year	14	(1,723,536)	-	-	(1,723,536)	(1,722,632)
		<u>(1,723,536)</u>	<u>-</u>	<u>-</u>	<u>(1,723,536)</u>	<u>(1,722,632)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(659,741)</u>	<u>27,102</u>	<u>9,087</u>	<u>(623,552)</u>	<u>(669,703)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,319,281</u>	<u>27,102</u>	<u>9,807</u>	<u>2,356,190</u>	<u>2,358,847</u>
<b>CREDITORS</b>						
Amounts falling due after more than one year	15	(1,129,226)	-	-	(1,129,226)	(1,226,277)
		<u>(1,129,226)</u>	<u>-</u>	<u>-</u>	<u>(1,129,226)</u>	<u>(1,226,277)</u>
<b>NET ASSETS</b>		<u>1,190,055</u>	<u>27,102</u>	<u>9,807</u>	<u>1,226,964</u>	<u>1,132,570</u>
<b>FUNDS</b>	18					
Unrestricted funds					1,190,055	1,097,786
Restricted funds					27,102	27,102
Endowment funds					9,807	7,682
<b>TOTAL FUNDS</b>					<u>1,226,964</u>	<u>1,132,570</u>

The notes form part of these financial statements

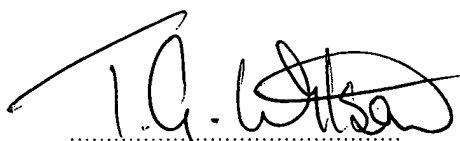
Derby Grammar School Trust Limited

Balance Sheet - continued  
At 31 July 2015

The financial statements were approved by the Board of Trustees on 14 December 2015 and were signed on its behalf by:



Mrs E A Atkinson -Trustee



Mr T G Wilson -Trustee

The notes form part of these financial statements

**Derby Grammar School Trust Limited**

**Cash Flow Statement  
for the Year Ended 31 July 2015**

		<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>	<b>1</b>	<b>151,930</b>	<b>151,984</b>
<b>Returns on investments and servicing of finance</b>	<b>2</b>	<b>(11,861)</b>	<b>(15,692)</b>
<b>Capital expenditure and financial investment</b>	<b>2</b>	<b>(18,431)</b>	<b>(33,542)</b>
		<hr/>	<hr/>
		<b>121,638</b>	<b>102,750</b>
<b>Financing</b>	<b>2</b>	<b>(82,028)</b>	<b>(84,694)</b>
		<hr/>	<hr/>
<b>Increase in cash in the period</b>		<b>39,610</b>	<b>18,056</b>
		<hr/>	<hr/>

**Reconciliation of net cash flow to movement in net debt**

	<b>3</b>		
Increase in cash in the period		39,610	18,056
Cash outflow from decrease in debt and lease financing		82,148	84,791
		<hr/>	<hr/>
Change in net debt resulting from cash flows		121,758	102,847
		<hr/>	<hr/>
<b>Movement in net debt in the period</b>		<b>121,758</b>	<b>102,847</b>
<b>Net debt at 1 August</b>		<b>(1,454,663)</b>	<b>(1,557,510)</b>
		<hr/>	<hr/>
<b>Net debt at 31 July</b>		<b>(1,332,905)</b>	<b>(1,454,663)</b>
		<hr/>	<hr/>

The notes form part of these financial statements

**Derby Grammar School Trust Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 July 2015**

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

	<b>2015</b>	2014
	<b>£</b>	£
Net incoming resources	92,389	78,032
Depreciation charges	69,244	65,465
Profit on disposal of fixed assets	-	(80)
Interest received	(241)	(218)
Interest paid	11,822	15,610
Interest element of hire purchase and finance lease rental payments	280	300
Income attributable to endowment	(240)	(217)
Expenditure attributable to endowment	120	120
Increase in debtors	(41,070)	(51,876)
Increase in creditors	19,626	44,848
<b>Net cash inflow from operating activities</b>	<b>151,930</b>	<b>151,984</b>

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

	<b>2015</b>	2014
	<b>£</b>	£
<b>Returns on investments and servicing of finance</b>		
Interest received	241	218
Interest paid	(11,822)	(15,610)
Interest element of hire purchase and finance lease rental payments	(280)	(300)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(11,861)</b>	<b>(15,692)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(24,849)	(33,622)
Sale of tangible fixed assets	1	80
Sale of fixed asset investments	6,417	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(18,431)</b>	<b>(33,542)</b>
<b>Financing</b>		
Benefactor loans received in year	150,000	100,000
Benefactor loan repayments in year	(178,138)	(131,500)
Bank loan repayments in year	(54,010)	(53,291)
Income attributable to endowment	240	217
Expenditure attributable to endowment	(120)	(120)
<b>Net cash outflow from financing</b>	<b>(82,028)</b>	<b>(84,694)</b>



**Derby Grammar School Trust Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 31 July 2015**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1/8/14</b>	<b>Cash flow</b>	<b>At 31/7/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:			
Cash at bank and in hand	30,617	5,985	36,602
Bank overdrafts	(353,597)	33,625	(319,972)
	<u>(322,980)</u>	<u>39,610</u>	<u>(283,370)</u>
Debt:			
Debts falling due within one year	(61,138)	7,138	(54,000)
Debts falling due after one year	(1,070,545)	75,010	(995,535)
	<u>(1,131,683)</u>	<u>82,148</u>	<u>(1,049,535)</u>
Total	<u><u>(1,454,663)</u></u>	<u><u>121,758</u></u>	<u><u>(1,332,905)</u></u>

# **Derby Grammar School Trust Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2015**

### **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 £149,725, 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 2017, 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 2016, 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

### Notes to the Financial Statements - continued for the Year Ended 31 July 2015

#### 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.

Freehold property	- Straight line over 20 years
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 18.

##### 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.

##### 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.

#### 2. VOLUNTARY INCOME

	2015	2014
	£	£
Gifts and donations	6,763	5,086
Gift aid	30	30
	<hr/>	<hr/>
	6,793	5,116
	<hr/>	<hr/>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

**3. INVESTMENT INCOME**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Rents received	8,513	10,903
Interest received	241	218
	<u>8,754</u>	<u>11,121</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Activity</b>	<b>2015</b>	2014
		<b>£</b>	<b>£</b>
School fees	Education	2,801,632	2,756,769
Registration fees	Education	4,780	3,540
Other income	Education	29,351	27,237
School fees	Welfare	127,361	121,606
Other income	Support	44,864	52,061
		<u>3,007,988</u>	<u>2,961,213</u>

**5. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Bad debts	510	-
	<u>510</u>	<u>-</u>

**6. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>
Education	2,149,455	2,149,455
Welfare	179,658	179,658
Premises	293,312	293,312
Support	275,008	275,008
Finance	19,764	19,764
	<u>2,917,197</u>	<u>2,917,197</u>

**7. GOVERNANCE COSTS**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Accountancy	1,212	1,200
Public liability insurance	3,567	3,083
Auditors' remuneration	8,300	8,400
Auditors' remuneration for non-audit work	360	300
	<u>13,439</u>	<u>12,983</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

**8. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	<b>2015</b>	2014
	<b>£</b>	£
Auditors' remuneration	8,300	8,400
Auditors' remuneration for non-audit work	360	300
Depreciation - owned assets	69,244	65,465
Surplus on disposal of fixed asset	-	(80)
	<u>          </u>	<u>          </u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2015 nor for the year ended 31 July 2014.

**Trustees' expenses**

	<b>2015</b>	2014
	<b>£</b>	£
The following expenses were paid to trustees	<b>Nil</b>	Nil

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

**10. STAFF COSTS**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Wages and salaries	1,872,715	1,859,150
Social security costs	145,674	148,275
Other pension costs	225,933	220,697
	<u>2,244,322</u>	<u>2,228,122</u>

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

	<b>2015</b>	2014
School	50	51
Catering	7	7
Administration	5	5
Property	9	9
Marketing	1	1
	<u>72</u>	<u>73</u>

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

	<b>2015</b>	2014
£70,000 - £80,000	1	1

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

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Contributions to employees' pensions	10,202	10,006

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 August 2014	3,387,013	985,725	53,461	4,426,199
Additions	-	24,849	-	24,849
Disposals	-	(1,237)	-	(1,237)
	<u>3,387,013</u>	<u>1,009,337</u>	<u>53,461</u>	<u>4,449,811</u>
At 31 July 2015				
<b>DEPRECIATION</b>				
At 1 August 2014	454,787	926,140	49,463	1,430,390
Charge for year	36,874	32,370	-	69,244
Eliminated on disposal	-	(1,236)	-	(1,236)
	<u>491,661</u>	<u>957,274</u>	<u>49,463</u>	<u>1,498,398</u>
At 31 July 2015				
<b>NET BOOK VALUE</b>				
At 31 July 2015	<u>2,895,352</u>	<u>52,063</u>	<u>3,998</u>	<u>2,951,413</u>
At 31 July 2014	<u>2,932,226</u>	<u>59,585</u>	<u>3,998</u>	<u>2,995,809</u>

**12. FIXED ASSET INVESTMENTS**

	<b>Unlisted investments £</b>
<b>MARKET VALUE</b>	
At 1 August 2014	32,741
Disposals	(4,448)
Revaluations	36
	<u>28,329</u>
At 31 July 2015	
<b>NET BOOK VALUE</b>	
At 31 July 2015	<u>28,329</u>
At 31 July 2014	<u>32,741</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**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
School fee debtors	981,552	951,789
Other debtors	81,830	70,523
	<u>1,063,382</u>	<u>1,022,312</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 16)	373,972	406,597
Other loans (see note 16)	-	8,138
Trade creditors	20,823	18,055
Social security and other taxes	41,524	45,669
Pension costs	31,841	30,858
School deposits	15,220	18,030
Other creditors and accruals	135,314	161,209
School fees in advance	1,104,842	1,034,076
	<u>1,723,536</u>	<u>1,722,632</u>

There is in place an overdraft facility of £625,000. These facilities have been reviewed and renewed in April 2015. They are due for a further review in April 2016.

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.

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Bank loans (see note 16)	383,433	438,443
Other loans (see note 16)	612,102	632,102
School deposits	93,200	91,163
School fees in advance	40,491	64,569
	<u>1,129,226</u>	<u>1,226,277</u>



**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

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

The bank loan of £437,433 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 £612,102 which remain interest free.

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year on demand:		
Bank overdraft	319,972	353,597
Bank loans	54,000	53,000
Other loans	-	8,138
	<u>373,972</u>	<u>414,735</u>
 Amounts falling between one and two years:		
Bank loans	<u>54,000</u>	<u>53,000</u>
 Amounts falling due between two and five years:		
Bank loans	<u>162,000</u>	<u>159,000</u>
 Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	<u>167,433</u>	<u>226,443</u>
 Repayable otherwise than by instalments:		
Other loans	<u>612,102</u>	<u>632,102</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2015**

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank overdraft	319,972	353,597
Bank loans	437,433	491,443
Other loans	149,725	169,275
	<u>907,130</u>	<u>1,014,315</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

Loans from benefactors totalling £149,725 are secured by way of a second fixed charge over part of the company's freehold land and buildings.

**18. MOVEMENT IN FUNDS**

	<b>At 1/8/14</b>	<b>Net movement in funds</b>	<b>At 31/7/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General fund	1,097,786	92,269	1,190,055
<b>Restricted funds</b>			
Development fund	27,102	-	27,102
<b>Endowment funds</b>			
The Caroline Booth memorial prize fund	1,957	207	2,164
The Dr W R C Chapman prize fund	745	287	1,032
The Duke Of Devonshire prize fund	1,506	502	2,008
The Dermot Murray prize fund	1,923	641	2,564
The MacMillan prize fund	724	441	1,165
The Thomas Dakin prize fund	827	47	874
	<u>7,682</u>	<u>2,125</u>	<u>9,807</u>
<b>TOTAL FUNDS</b>	<u>1,132,570</u>	<u>94,394</u>	<u>1,226,964</u>

# Derby Grammar School Trust Limited

## Notes to the Financial Statements - continued for the Year Ended 31 July 2015

### 18. 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 £
<b>Unrestricted funds</b>				
General fund	3,023,295	(2,931,026)	-	92,269
<b>Endowment funds</b>				
The Caroline Booth memorial prize fund	23	(20)	204	207
The Dr W R C Chapman prize fund	32	(20)	275	287
The Duke Of Devonshire prize fund	53	(20)	469	502
The Dermot Murray prize fund	66	(20)	595	641
The MacMillan prize fund	35	(20)	426	441
The Thomas Dakin prize fund	31	(20)	36	47
	240	(120)	2,005	2,125
<b>TOTAL FUNDS</b>	<b>3,023,535</b>	<b>(2,931,146)</b>	<b>2,005</b>	<b>94,394</b>

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.

### 19. RELATED PARTY DISCLOSURES

During the year, the charity repaid loans amounting to £6,138 (2014: £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 £Nil (2014: £6,138) as at 31 July 2015, and amounts owed to the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £462,378 (2014: £464,378) as at 31 July 2015.

All transactions were at an arms length.

### 20. ULTIMATE CONTROLLING PARTY

The Charity is controlled by the members.

## **Derby Grammar School Trust Limited**

### **Notes to the Financial Statements - continued for the Year Ended 31 July 2015**

#### **21. 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.

#### **22. 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.

#### **23. 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 £215,489 (2014: £209,289) and at the year-end £30,640 (2014 - £29,935) 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 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. Employers will, in addition from 1 September 2015, pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total 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 and an auto enrolment scheme, The People's Pension, for its non-teaching staff. The cost for the year represents the school's contributions to the stakeholder scheme of £802 (2014: £786), and to the auto enrolment scheme of £1,480 (2014: £Nil).

**Derby Grammar School Trust Limited**  
**Detailed Statement of Financial Activities**  
**for the Year Ended 31 July 2015**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Gifts and donations	6,763	5,086
Gift aid	30	30
	<hr/> 6,793	<hr/> 5,116
<b>Investment income</b>		
Rents received	8,513	10,903
Interest received	241	218
	<hr/> 8,754	<hr/> 11,121
<b>Incoming resources from charitable activities</b>		
School fees	2,928,993	2,878,375
Registration fees	4,780	3,540
Other income	74,215	79,298
	<hr/> 3,007,988	<hr/> 2,961,213
<b>Other incoming resources</b>		
Gain on sale of tangible fixed assets	-	80
	<hr/>	<hr/>
<b>Total incoming resources</b>	3,023,535	2,977,530
<b>RESOURCES EXPENDED</b>		
<b>Fundraising trading: cost of goods sold and other costs</b>		
Bad debts	510	-
<b>Charitable activities</b>		
Wages	1,872,715	1,859,150
Social security	145,674	148,275
Pensions	225,933	220,697
Rates and refuse collection	15,555	15,184
Insurance	21,517	22,489
Utilities	52,634	49,908
Telephone	4,225	4,627
Postage and stationery	17,972	10,668
Marketing	17,072	29,918
Sundry expenses	10,756	10,514
Motor expenses	6,199	5,338
Repairs and maintenance	110,476	99,805
Legal and professional fees	6,391	3,165
Bank charges	7,662	8,163
Other school operating costs	321,070	317,239
Depreciation - freehold property	36,874	37,846
Depreciation - plant & machinery	32,370	27,619
Bank interest	2,809	3,278
Bank loan interest	9,013	12,332
Carried forward	2,916,917	2,886,215

This page does not form part of the statutory financial statements

**Derby Grammar School Trust Limited**  
**Detailed Statement of Financial Activities**  
**for the Year Ended 31 July 2015**

	<b>2015</b>	2014
	<b>£</b>	£
<b>Charitable activities</b>		
Brought forward	2,916,917	2,886,215
Finance lease interest	280	300
	<hr/>	<hr/>
	2,917,197	2,886,515
 <b>Governance costs</b>		
Accountancy	1,212	1,200
Public liability insurance	3,567	3,083
Auditors' remuneration	8,300	8,400
Auditors' remuneration for non-audit work	360	300
	<hr/>	<hr/>
	13,439	12,983
 <b>Total resources expended</b>	<hr/>	<hr/>
	2,931,146	2,899,498
 <b>Net income before gains and losses</b>	<hr/>	<hr/>
	92,389	78,032
 <b>Realised recognised gains and losses</b>		
Realised gains/(losses) on fixed asset investments	1,969	-
	<hr/>	<hr/>
<b>Net income</b>	<u>94,358</u>	<u>78,032</u>