

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

**Report of the Trustees and  
Audited Financial Statements for the Year Ended 31 July 2018  
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**

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for the Year Ended 31 July 2018**

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## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2018**

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 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **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.

At Derby Grammar School we aim not only to teach, but to inspire a passion for learning that remains with our pupils throughout their lives. Combining intellectual challenge with a real breadth of experiences, we encourage each pupil to harness their strengths, work on their weaknesses, and realise their full potential. An education with us provides a strong basis for higher education, for a subsequent career and for a rounded life, whilst having fun and being happy in our school environment.

Founded in 1995, our aim is to provide an excellent education for able boys aged 7 to 18 and girls aged 16 to 18 in the East Midlands. Our high quality education allows pupils to flourish in an atmosphere that provides intellectual challenge and celebrates success. Our education extends far beyond the classroom to the sports field, the debating table, the concert hall, the race track, and even the Tanzanian plains. We aim to equip our pupils with a breadth of skills and knowledge which will enable them to perform outstandingly well at School and in later life.

We strive to encourage independent thought, expression and learning, in an environment where learning is fun. Pupils and staff share high expectations and all of our staff are committed to helping and encouraging our pupils to succeed.

Inspiring a passion for learning that remains with pupils throughout their lives is a core to our values and our motto embodies this - 'vita sine litteris mors'; it translates as 'life without learning is death'.

Finally, we aim to increase the number of pupils and further 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.

We also recognise gifted pupils with a wide range of scholarships and exhibitions and assist families of multiple children with sibling discounts.

**Report of the Trustees  
for the Year Ended 31 July 2018**

**OBJECTIVES AND ACTIVITIES**

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE**

**Curriculum**

The National Curriculum provides the basis for our Junior School's broad and balanced curriculum, which focuses on developing excellence in literacy and numeracy, whilst encouraging every boy to discover his own individual strengths across many other subject areas. Class sizes are small which means that we carefully track progress and ensure each pupil is suitably challenged and guided to maximise their potential. Trips and residential visits, as well as a variety of school and community-based activities, also stimulate boys' interests and enrich the curriculum further as they're encouraged to explore, enjoy, imagine, create, experience, and achieve to the best of their ability.

In Years 7 to 9, the curriculum is designed to broaden pupils' interests and explore their strengths in a wide range of subjects. A limited number of options are introduced in Years 8 and 9.

As boys progress on to Year 10 the curriculum is divided into core and options which enables each boy to study up to ten subjects to GCSE in Year 11. Individual support and guidance is given to each pupil as they make these important choices.

Pupils choose three A levels to study at Derby Grammar School. The range of 22 subjects we offer ensures a wide curriculum to meet pupils' strengths and aspirations, preparing them for undergraduate study at the best universities.

**GCSE and A Level results and destinations**

GCSE and A Level results continue to be excellent, not only in terms of grades achieved but in the 'added value' scores, ie pupils achieving beyond expectations.

**A Level Headline Statistics**

22% of grades achieved were A\*/A and 63% at A\*, A and B

81% of grades were A\* to C

83% of all passes in STEM subjects were between A\* and C

90% of grades in A Level Physics were between A\* and C.

One top scoring candidate achieved A\*/A\*/A and another two both achieved three straight A grades.

In July 2018, 88% of our Year 13 students obtained their place at university, out of the remaining three, two took a gap year and one joined the Oxford Aviation Academy.

**GCSE Headline Statistics**

28% of grades were at 9, 8 and A\*

67% of grades were between 9 and 7 in Biology, Chemistry and Physics

61% of grades in STEM subjects were between 9 and 7, or equivalent

47% of all grades are at 7, 8 and 9 or equivalent

38% of grades in Maths were at 9 or 8

100% of pupils achieved 5 GCSEs at grade 4 or above.

Three top scoring pupils achieved 11 grade 9s, 12 grade 8s and 4 grade 7s between them.

Two Year 9 pupils took GCSE qualifications two years early - one achieved grade 9 in Maths and the other A\* in Punjabi.

**The House System**

Interhouse competition goes from strength to strength and provides opportunities for pupils to be involved in sports, curricular and extracurricular activities.

Sporting competitions include rugby, hockey, cricket, swimming, athletics, cross-country running and tug-of-war.

In addition, there were interhouse competitions in drama, music, debating and art.

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2018**

#### **OBJECTIVES AND ACTIVITIES**

##### **Music and Drama**

Music continues to be a real strength of Derby Grammar School. It is remarkable that amongst a small population, we have such talent and are able to produce quality performances time and time again. Across the Junior and Senior Schools, we have 3 bands/ensembles, a choir, a barbershop choir and soloists of note.

In the autumn term Senior School pupils performed a pantomime, Snow White, and in the spring term there was a performance of Pirates of the CurryBean by our Junior boys.

Pupils are prepared and take a wide variety of LAMDA qualifications and achieve significant results year on year at the Derby Arts Festival.

##### **National and Regional Competitions and Awards**

We were delighted that this year a Derby Grammar School pupil was awarded the coveted Independent Schools Association (ISA) Whitbread Memorial Prize which recognises and celebrates outstanding involvement in, and service to, the wider aspect of school and community life; in conjunction with achieving academic excellence in GCSE results.

We have enjoyed a great deal of success in regional and national competitions this year, including the UK Mathematics Challenge at all levels and the Biology Olympiads.

Five sixth formers made it through to the national final of the UK Space Design Competition.

In addition, we had success in the LAMDA Speech and Drama awards, right from Introductory Stage 1 examinations through to Grade 8. Pupils taking LAMDA lessons also participated in the Derby Arts Festival with two being placed in Verse Speaking (age 9), one winning Solo Acting, Not Shakespeare (age 13/14) and one winning Verse Speaking (age 10).

Music is popular across the school and pupils continue to undertake their grade examinations, from Grade 1 to 8 in instruments including saxophone, trombone, drums, flute, guitar and piano. One pupil has achieved grade 8 in trumpet at the age of only 13, a remarkable achievement.

Our success in the Science Olympiads, Formula 24 and 24+, the Space Design Competition, the UK Mathematics challenges at every level, the IET Faraday Challenge and the Rolls-Royce design competition for Junior Schools has marked us out as a school strong in STEM subjects.

##### **Charitable Support**

###### **Tanzania**

Our partnership with Gedeli B (Ibeshi) School in Mwanza, Tanzania and orphanages in the vicinity is now in its 6th year. This July 26 delegates with members of the teaching staff travelled out to continue our work of building classrooms and sports pitches, making sanitation improvements and installing water towers, providing electrical light and power and supporting pupils with disabilities and special needs. Fundraising to cover the costs of the project and the delegates' travel costs takes place throughout the academic year and draws on the pupils' entrepreneurial skills. Fundraising events include a Bring and Buy Sale, Quiz Night, Pantomime to name but a few achieving a staggering £10501.97 raised in this academic year (£81,454 in total since 2013).

###### **YMCA**

Our harvest festival and Christmas shoe box appeal provide food, provisions, cleaning products and gifts for homeless young people in the Derby area.

###### **Derby Hospitals Charity**

A number of events, such as "Jingle Jog" and Christmas Jumper day, enable us to raise money for the Derby Hospitals. Our funds have generally supported the work of the Children's Hospital. Including Gift Aid our efforts raised an amazing £752.78.

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2018**

#### **OBJECTIVES AND ACTIVITIES**

##### **Sport**

The School continues to play rugby, hockey and cricket competitively, with regular after-school practices taking place at Rykneld Sports Centre - RSC. Individual successes this year include numerous boys playing for district/county cricket sides, as well as receiving additional training within performance centres in hockey and DPP for rugby. Team successes have been varied, reinforcing the need to find schools of similar size to compete against or B standard teams from the larger local schools.

The PTA have generously supported the wider development of the curriculum with the purchase of additional gymnastics equipment and the upgrade of the fitness suite on the main school site.

##### **Duke of Edinburgh's Award**

Overall numbers completing the Duke of Edinburgh Award were at an all-time high during the 2017-2018 academic year, with 29 pupils achieving their Bronze Award, 9 pupils their Silver Award and 2 pupils their Gold Award.

##### **School Trips**

School Trips to support curriculum studies and for enrichment of the pupils' education continue to be extremely popular. This year, trips included, the German Exchange to Lüneberg, the GCSE history trip to Hadrian's Wall, the Year 7 music trip to Symphony Hall Birmingham, the music exchange with Guernsey Grammar School, trips to science conferences, theatre trips supporting English language studies, the geography and biology Field Courses to Cranedale, N. Yorkshire and the Junior School residential to Hollowford.

##### **Acquisitions of RSC**

The further development and use of the newly acquired Rykneld Sports Centre has seen numerous improvements in the School's sports programme. The indoor café area means we can now host sides and offer hospitality to parents/pupils post match. We are also able to open these sporting facilities to the local community and now see many clubs and teams using these on a regular basis. The installation of the perimeter fence has meant the safeguarding of pupils, staff and the asset itself is secure from intruders. This has also had a very positive effect on the amount of unauthorised use of the astro turf and as a consequence the fabric of the surface and equipment is better looked after.

#### **STRATEGIC REPORT**

##### **Financial review**

This report covers the twenty second year of the school, during which the number of pupils attending reached 248, of which 203 were senior pupils and the year has again produced a trading surplus. The Board of Trustees considers the level of pupil numbers and surpluses made as key performance indicators and satisfactory in a year represented by further consolidation.

As a relatively new and small school cashflows, pupil numbers and trading are monitored closely on an ongoing basis. The Trustees remain extremely grateful to the ongoing support of its benefactors, a small group of long standing supporters of the school.

The Trustees have adopted the provisions of the Charities SORP (FRS 102) in preparing the annual report and financial statements of the charity and have prepared the accounts in accordance with the Companies Act 2006.

##### **Reserves Policy**

The statement of financial position presents the assets and liabilities of the various funds by type. Note 21 presents 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.

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2018**

#### **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.

##### **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 and safety which also meet at least four times a year.

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

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

##### **Induction and training of new trustees**

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

##### **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 £507,677 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.

## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2018**

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

##### **PUBLIC BENEFIT**

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 £129,821 (4.2% of fees); those taken up amount to £118,531 (3.2% of fees), representing an increase of £34,936 on 2017.

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

Raising in excess of £11,000 for various charities.

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

Reduced charges for use of school facilities for musical events

Providing concerts in the local community

Providing a venue for external candidates to sit examinations

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 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.

##### **PLANS FOR FUTURE PERIODS**

The trustees plan to expand the school's offering of junior years to include Reception, Year 1 and Year 2. Places are now being offered for September 2019. Building work is currently being considered to both enhance facilities as well as provide these additional places. It is anticipated that by 2022 we will have the capacity for 45 additional children (15 per year group).

The trustees are also developing the facilities and curriculum of the Sixth Form in order to secure and build upon current pupil numbers. A re-designation of facilities has enabled the school to open a new Sixth Form centre that is already beginning to attract higher numbers to join the school for post-16 education. This has been coupled with plans being put in place to extend the offering of A Levels options to include new subjects such as Politics, Business, Psychology and Drama. The addition of these subjects has also served to increase the number of Sixth Form applicants. The enhancement of facilities and curriculum is also serving to increase the co-educational access from local state schools.

The school has expanded its sports provision through the purchase of the sports hall, artificial pitches and rugby pitches at Rykneld Sports Centre and will continue to improve and expand these facilities for our own school use as well as local state schools and the community.

##### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Governors is responsible for the identification and review of the risks to which the School is exposed and to ensure that there are adequate systems and processes in place to manage those risks. Where risks are identified, any required action is delegated to the Senior Leadership Team or other appropriate school personnel to implement, with appropriate oversight by the Governors to ensure any required action is undertaken.



## **Derby Grammar School Trust Limited**

### **Report of the Trustees for the Year Ended 31 July 2018**

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

In the Trustee's opinion, the principal areas of risk to which the School is exposed are:

- The market in which the School operates is highly competitive and the ongoing uncertainty in relation to the economy and the government's policies with regard to education means that maintaining and increasing the level of pupil numbers remains a key focus. Pupils achieve excellent results and the School has been placed as one of the top performing schools in the East Midlands in 2017. We constantly monitor the educational standards of our School in order to attract and retain pupils and we are increasing our marketing effort to ensure that our success is more widely known.

- As for any school, the level of regulation and compliance is high. Specifically, the safeguarding of pupils and the health and safety of staff remains a key priority. To ensure any risks are considered and addressed the School has appropriate policies and procedures in place and ensure staff undertake appropriate training. Consultation is sought where necessary and there are sufficient members of the Board of Governors to oversee the School in this 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**

Mrs E A Atkinson  
Mr T G Wilson  
Mr S D Richardson

Retired solicitor

##### **Company Secretary**

Mrs L J Bowe

##### **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

# **Derby Grammar School Trust Limited**

## **Report of the Trustees for the Year Ended 31 July 2018**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Bankers**

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

#### **Patron**

Sir Nigel Rudd

#### **Governors**

E A Atkinson (resigned 11/12/2017)  
T G Wilson  
S D Richardson  
I Beardmore  
M Viles  
I Louch  
J Pugh Lewis  
R A Kington  
S Flear (appointed 18/09/2017)  
A Gentles (appointed 05/07/2018)

#### **Head**

Mr R D Paine BA (Hons) (resigned 31/08/2017)  
Dr Ruth Norris (appointed 28/08/2018)

#### **Acting Head**

Mrs L Reynolds BSc (Hons) (appointed 01/09/2017) (resigned 27/08/2018)

### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **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.

**Derby Grammar School Trust Limited**

**Report of the Trustees  
for the Year Ended 31 July 2018**

**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.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....21/4/19..... and signed on the board's behalf by:

.....

Mrs E A Atkinson - Trustee

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

### **Opinion**

We have audited the financial statements of Derby Grammar School Trust Limited (the 'charitable company') for the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

## 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.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

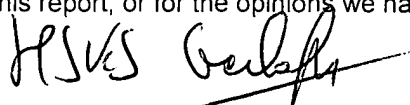
### Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### Use of our report

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.



Philip Handley 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: 2<sup>nd</sup> April 2019

**Derby Grammar School Trust Limited**

**Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 July 2018**

	Not es	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	70,564	-	-	70,564	153,459
<b>Charitable activities</b>	4					
Education		2,884,123	-	-	2,884,123	2,964,472
Welfare		129,270	-	-	129,270	126,487
Support		45,109	-	-	45,109	40,994
Investment income	3	16,940	594	82	17,616	14,439
<b>Total</b>		<b>3,146,006</b>	<b>594</b>	<b>82</b>	<b>3,146,682</b>	<b>3,299,851</b>
<b>EXPENDITURE ON</b>						
Raising funds	5	4,718	-	-	4,718	6,300
<b>Charitable activities</b>	6					
Education		2,207,809	-	-	2,207,809	2,247,233
Welfare		183,936	-	-	183,936	190,168
Premises		334,453	-	-	334,453	384,999
Support		355,655	-	-	355,655	335,256
Finance		29,973	-	-	29,973	30,360
<b>Total</b>		<b>3,116,544</b>	<b>-</b>	<b>-</b>	<b>3,116,544</b>	<b>3,194,316</b>
<b>NET INCOME</b>		<b>29,462</b>	<b>594</b>	<b>82</b>	<b>30,138</b>	<b>105,535</b>
Transfers between funds	21	(1)	-	1	-	-
<b>Other recognised gains/(losses)</b>						
Gains/(losses) on revaluation of fixed assets		-	-	(16)	(16)	(94,170)
<b>Net movement in funds</b>		<b>29,461</b>	<b>594</b>	<b>67</b>	<b>30,122</b>	<b>11,365</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		694,995	-	10,406	705,401	694,036
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>724,456</b>	<b>594</b>	<b>10,473</b>	<b>735,523</b>	<b>705,401</b>

The notes form part of these financial statements

**Derby Grammar School Trust Limited**

**Statement of Financial Position  
At 31 July 2018**

		Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
	Notes					
<b>FIXED ASSETS</b>						
Tangible assets	12	2,663,905	-	-	2,663,905	2,615,237
Investments	13	<u>27,609</u>	-	<u>728</u>	<u>28,337</u>	<u>28,353</u>
		2,691,514	-	728	2,692,242	2,643,590
<b>CURRENT ASSETS</b>						
Stocks	14	3,891	-	-	3,891	3,672
Debtors	15	991,439	-	-	991,439	988,245
Cash at bank and in hand		<u>7,147</u>	<u>50,704</u>	<u>9,745</u>	<u>67,596</u>	<u>61,388</u>
		1,002,477	50,704	9,745	1,062,926	1,053,305
<b>CREDITORS</b>						
Amounts falling due within one year	16	<u>(1,671,963)</u>	-	-	<u>(1,671,963)</u>	<u>(1,594,109)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(669,486)</u>	<u>50,704</u>	<u>9,745</u>	<u>(609,037)</u>	<u>(540,804)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,022,028	50,704	10,473	2,083,205	2,102,786
<b>CREDITORS</b>						
Amounts falling due after more than one year	17	<u>(1,297,572)</u>	<u>(50,110)</u>	-	<u>(1,347,682)</u>	<u>(1,397,385)</u>
<b>NET ASSETS</b>		<u>724,456</u>	<u>594</u>	<u>10,473</u>	<u>735,523</u>	<u>705,401</u>
<b>FUNDS</b>	21					
Unrestricted funds					724,456	694,995
Restricted funds					594	-
Endowment funds					<u>10,473</u>	<u>10,406</u>
<b>TOTAL FUNDS</b>					<u>735,523</u>	<u>705,401</u>

The financial statements were approved by the Board of Trustees on 2/4/19 and were signed on its behalf by:

  
Mrs E A Atkinson -Trustee

The notes form part of these financial statements

**Derby Grammar School Trust Limited**

**Statement of Cash Flows  
for the Year Ended 31 July 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	35,307	205,337
Interest paid		(24,124)	(15,696)
Interest element of hire purchase and finance lease rental payments		<u>(39)</u>	<u>(39)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>11,144</u>	<u>189,602</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(74,365)	(523,090)
Sale of tangible fixed assets		5,500	-
Interest received		<u>806</u>	<u>45</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(68,059)</u>	<u>(523,045)</u>
<b>Cash flows from financing activities:</b>			
Benefactor loans received in year		150,000	50,000
Benefactor loan repayments in year		(170,598)	(50,000)
Bank loans received in year		-	828,200
Bank loan repayments in year		(31,583)	(416,771)
Capital repayments in year		(20,863)	-
Income attributable to endowment		<u>82</u>	<u>544</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(72,962)</u>	<u>411,973</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(129,877)</u>	<u>78,530</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>(149,043)</u>	<u>(227,573)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>(278,920)</u>	<u>(149,043)</u>

The notes form part of these financial statements



**Derby Grammar School Trust Limited**

**Notes to the Statement of Cash Flows  
for the Year Ended 31 July 2018**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>30,138</b>	<b>105,535</b>
<b>Adjustments for:</b>		
Depreciation charges	61,805	46,344
(Profit)/loss on disposal of fixed assets	(5,500)	31,385
Interest received	(806)	(45)
Interest paid	24,124	15,696
Interest element of hire purchase and finance lease rental payments	39	39
Income attributable to endowment	(82)	(544)
Increase in stocks	(219)	(948)
(Increase)/decrease in debtors	(3,194)	65,596
Decrease in creditors	<u>(70,998)</u>	<u>(57,721)</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>35,307</u></b>	<b><u>205,337</u></b>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	7,147	1,741
Notice deposits (less than 3 months)	60,449	59,647
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(346,516)</u>	<u>(210,431)</u>
<b>Total cash and cash equivalents</b>	<b><u>(278,920)</u></b>	<b><u>(149,043)</u></b>

# **Derby Grammar School Trust Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2018**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments and freehold property which are included at market value, as modified by the revaluation of certain assets.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

During the year the School met its day to day working capital requirements through an overdraft facility and short term loans from benefactors. On 26 March 2019 the school received the proceeds of sale of land amounting to in excess of £1.3 million. Receipt of these funds cleared existing overdraft indebtedness and resulted in the school having significant working capital with which to operate.

On the basis of this information the trustees consider that the school will continue in operational existence for the foreseeable future.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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.

#### **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.

#### **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	- 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.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Taxation**

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

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**1. ACCOUNTING POLICIES - continued**

**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 21.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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 Statement of Financial Position. 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.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**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 Section 28 of FRS 102 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

## Notes to the Financial Statements - continued for the Year Ended 31 July 2018

### 1. ACCOUNTING POLICIES - continued

#### Concessionary loans

Concessionary loans are initially measured at the amount received or paid and recognised on a separate line on the balance sheet.

In subsequent years the carrying amount of concessionary loans will be adjusted to reflect any accrued interest payable or receivable.

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

#### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

### 2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Gifts and donations	63,832	146,677
Gift aid	<u>6,732</u>	<u>6,782</u>
	<u>70,564</u>	<u>153,459</u>

### 3. INVESTMENT INCOME

	2018	2017
	£	£
Rents received	16,810	14,394
Interest received	<u>806</u>	<u>45</u>
	<u>17,616</u>	<u>14,439</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Activity</b>	<b>2018 £</b>	<b>2017 £</b>
School fees	Education	2,773,386	2,888,710
Registration fees	Education	4,370	4,720
Other income	Education	97,742	71,042
Grants	Education	8,625	-
School fees	Welfare	129,012	126,487
Other income	Welfare	258	-
Other income	Support	45,109	40,994
		<u><b>3,058,502</b></u>	<u><b>3,131,953</b></u>

Grants received, included in the above, are as follows:

	<b>2018 £</b>	<b>2017 £</b>
Other grants	<u><b>8,625</b></u>	<u><b>-</b></u>

**5. RAISING FUNDS**

**Other trading activities**

	<b>2018 £</b>	<b>2017 £</b>
Bad debts	<u><b>4,718</b></u>	<u><b>6,300</b></u>

**6. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs £</b>	<b>Support costs (See note 7) £</b>	<b>Totals £</b>
Education	2,207,809	-	2,207,809
Welfare	183,936	-	183,936
Premises	330,269	4,184	334,453
Support	345,635	10,020	355,655
Finance	29,973	-	29,973
	<u><b>3,097,622</b></u>	<u><b>14,204</b></u>	<u><b>3,111,826</b></u>

**7. SUPPORT COSTS**

	<b>Governance costs £</b>
Premises	4,184
Support	<u>10,020</u>
	<u><b>14,204</b></u>

Support costs, included in the above, are as follows:

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**7. SUPPORT COSTS - continued**

**Governance costs**

	Premises	Support	2018 Total activities	2017 Total activities
	£	£	£	£
Insurance	4,184	-	4,184	3,596
Auditors' remuneration	-	8,040	8,040	10,400
Auditors' remuneration for non audit work	-	1,980	1,980	1,980
	<u>4,184</u>	<u>10,020</u>	<u>14,204</u>	<u>15,976</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Auditors' remuneration	8,040	10,400
Auditors' remuneration for non audit work	1,500	1,500
Other non-audit services	480	480
Depreciation - owned assets	53,278	46,344
Depreciation - assets on hire purchase contracts and finance leases	8,527	-
Hire of plant and machinery	1,042	-
(Surplus)/deficit on disposal of fixed asset	<u>(5,500)</u>	<u>31,385</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 July 2018 nor for the year ended 31 July 2017.

**Trustees' expenses**

	2018 £	2017 £
The following expenses were paid to trustees	Nil	Nil

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**10. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	1,878,601	1,870,383
Social security costs	183,126	184,248
Other pension costs	<u>255,441</u>	<u>258,561</u>
	<u><b>2,317,168</b></u>	<u><b>2,313,192</b></u>

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

	2018	2017
School	48	49
Catering	8	8
Administration	5	5
Property	8	8
Marketing	1	1
Sports Centre	<u>4</u>	<u>4</u>
	<u><b>74</b></u>	<u><b>75</b></u>

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

	2018	2017
£60,001 - £70,000	1	-
£70,001 - £80,000	<u>-</u>	<u>1</u>
	<u><b>1</b></u>	<u><b>1</b></u>

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

	2018	2017
	£	£
Contributions to employees' pensions	<b>10,867</b>	12,173

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	152,959	-	500	153,459
<b>Charitable activities</b>				
Education	2,964,472	-	-	2,964,472
Welfare	126,487	-	-	126,487
Support	40,994	-	-	40,994
Investment income	<u>14,395</u>	<u>-</u>	<u>44</u>	<u>14,439</u>
<b>Total</b>	<b>3,299,307</b>	<b>-</b>	<b>544</b>	<b>3,299,851</b>

Derby Grammar School Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>EXPENDITURE ON</b>				
Raising funds	6,300	-	-	6,300
<b>Charitable activities</b>				
Education	2,247,233	-	-	2,247,233
Welfare	190,168	-	-	190,168
Premises	383,644	1,355	-	384,999
Support	336,611	(1,355)	-	335,256
Finance	30,360	-	-	30,360
<b>Total</b>	<b>3,194,316</b>	<b>-</b>	<b>-</b>	<b>3,194,316</b>
<b>NET INCOME</b>	<b>104,991</b>	<b>-</b>	<b>544</b>	<b>105,535</b>
<b>Transfers between funds</b>	<b>27,102</b>	<b>(27,102)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Gains/(losses) on revaluation of fixed assets	(94,122)	-	(48)	(94,170)
<b>Net movement in funds</b>	<b>37,971</b>	<b>(27,102)</b>	<b>496</b>	<b>11,365</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>657,024</b>	<b>27,102</b>	<b>9,910</b>	<b>694,036</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>694,995</b>	<b>-</b>	<b>10,406</b>	<b>705,401</b>



**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 August 2017	3,085,848	1,016,628	53,461	4,155,937
Additions	-	74,365	36,108	110,473
Disposals	<u>-</u>	<u>(18,786)</u>	<u>(25,739)</u>	<u>(44,525)</u>
At 31 July 2018	<u>3,085,848</u>	<u>1,072,207</u>	<u>63,830</u>	<u>4,221,885</u>
<b>DEPRECIATION</b>				
At 1 August 2017	542,158	949,079	49,463	1,540,700
Charge for year	15,374	35,904	10,527	61,805
Eliminated on disposal	<u>-</u>	<u>(18,786)</u>	<u>(25,739)</u>	<u>(44,525)</u>
At 31 July 2018	<u>557,532</u>	<u>966,197</u>	<u>34,251</u>	<u>1,557,980</u>
<b>NET BOOK VALUE</b>				
At 31 July 2018	<u>2,528,316</u>	<u>106,010</u>	<u>29,579</u>	<u>2,663,905</u>
At 31 July 2017	<u>2,543,690</u>	<u>67,549</u>	<u>3,998</u>	<u>2,615,237</u>

Included in cost or valuation of land and buildings is freehold land of £140,000 (2017 - £140,000) which is not depreciated.

Prior to purchase of the sports hall and land at Prince Charles Avenue, Mackworth, Derby (now known as Rykneld Sports Hall), a professional valuation was carried out by Lambert Smith Hampton, Chartered Surveyors on 27 May 2016.

Their valuation was in the sum of £375,000 on an open market value basis. The carrying value prior to impairment of this asset in the balance sheet was £450,000. The shortfall of £75,000 was reflected in the prior year as an impairment, and relates to input VAT which the charitable company is unable to reclaim, due to not being registered.

If the charitable company's freehold property had not been revalued it would be stated a historic cost of £3,825,462, aggregate accumulated depreciation of £557,466 and aggregate accumulated impairment losses of £985,601. The difference in depreciation between the historic cost basis and revaluation basis is not materially different.

All freehold property owned by the charitable company is pledged as security for bank borrowings.

The net book value of tangible fixed assets includes £27,581 (2017 - £NIL) in respect of assets held under hire purchase contracts.

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**13. FIXED ASSET INVESTMENTS**

	<b>Unlisted investments £</b>
<b>MARKET VALUE</b>	
At 1 August 2017	28,353
Revaluations	<u>(16)</u>
At 31 July 2018	<u>28,337</u>
 <b>NET BOOK VALUE</b>	
At 31 July 2018	<u>28,337</u>
At 31 July 2017	<u>28,353</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.

**14. STOCKS**

	<b>2018 £</b>	<b>2017 £</b>
Stocks	<u>3,891</u>	<u>3,672</u>

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

	<b>2018 £</b>	<b>2017 £</b>
School fee debtors	921,691	932,962
Other debtors	5,440	4,134
Prepayments	<u>64,308</u>	<u>51,149</u>
	<u>991,439</u>	<u>988,245</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

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

	2018	2017
	£	£
Bank loans and overdrafts (see note 18)	378,516	250,431
Other loans (see note 18)	94,856	113,603
Hire purchase (see note 19)	7,036	-
Trade creditors	10,975	16,177
Social security and other taxes	46,389	47,289
Pension costs	33,532	33,947
School deposits	16,800	16,020
Other creditors	41,354	52,448
Accruals	45,074	38,918
School fees in advance	997,431	1,025,276
	<u>1,671,963</u>	<u>1,594,109</u>

There is in place an overdraft facility of £500,000, which was renewed in February 2018.

This facility carries interest at a variable rate set at 2.25% above base rate of Barclays Bank Plc.

Security for all bank borrowings is shown in Note 20.

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.

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 £94,856 (2017: £113,603) which remain interest free. Loans from benefactors have no fixed date for repayment.

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

	2018	2017
	£	£
Bank loans (see note 18)	750,196	773,779
Other loans (see note 18)	507,677	509,528
Hire purchase (see note 19)	8,209	-
School deposits	81,600	86,000
School fees in advance	-	28,078
	<u>1,347,682</u>	<u>1,397,385</u>

The bank loan of £782,196 (2017: £813,779) funded the purchase of Rykneld Sports Hall.

The loan is repayable over a period of 5 years in the first instance, repayments having started in May 2017. 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 2.3% above the base rate of Barclays Bank plc.

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**18. LOANS**

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank overdraft	346,516	210,431
Bank loans	32,000	40,000
Other loans	<u>94,856</u>	<u>113,603</u>
	<u>473,372</u>	<u>364,034</u>
 Amounts falling between one and two years:		
Bank loans	32,000	40,000
Concessionary loans	<u>507,677</u>	<u>509,528</u>
	<u>539,677</u>	<u>549,528</u>
 Amounts falling due between two and five years:		
Bank loans	<u>718,196</u>	<u>120,000</u>
 Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans	<u>-</u>	<u>613,779</u>

Concessionary loans

The concessionary loan made to Derby Grammar School Trust Limited by Derby Grammar School Foundation of £507,677 (2017 - £509,528) was made for the purpose of furthering the objectives of the public benefit entity. There is no interest payable on the loan and there is no fixed repayment date.

**19. LEASING AGREEMENTS**

	<b>Hire purchase contracts</b>	
	2018 £	2017 £
Net obligations repayable:		
Within one year	7,036	-
Between one and five years	<u>8,209</u>	<u>-</u>
	<u>15,245</u>	<u>-</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdraft	346,516	210,431
Bank loans	782,196	813,779
Hire purchase contracts	15,245	-
Other loans	94,856	113,603
	<u>1,238,813</u>	<u>1,137,813</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 first legal charge over Rykneld Sports Centre

Loans from benefactors totalling £94,856 are secured by way of a second fixed charge over part of the company's freehold land and buildings.

**21. MOVEMENT IN FUNDS**

	At 1/8/17	Net movement in funds	Transfers between funds	At 31/7/18
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	449,009	29,462	(1)	478,470
Revaluation reserve	245,986	-	-	245,986
	694,995	29,462	(1)	724,456
<b>Restricted funds</b>				
Philip Spray Bursary	-	594	-	594
<b>Endowment funds</b>				
The Caroline Booth memorial prize fund	2,166	8	-	2,174
The Dr W R C Chapman prize fund	1,034	11	-	1,045
The Duke Of Devonshire prize fund	2,012	19	-	2,031
The Dermot Murray prize fund	2,568	25	-	2,593
The MacMillan prize fund	1,167	14	-	1,181
The Thomas Dakin prize fund	958	(17)	1	942
The Roger Waller prize fund	501	6	-	507
	10,406	66	1	10,473
<b>TOTAL FUNDS</b>	<u>705,401</u>	<u>30,122</u>	<u>-</u>	<u>735,523</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**21. 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	3,146,006	(3,116,544)	-	29,462
<b>Restricted funds</b>				
Philip Spray Bursary	594	-	-	594
<b>Endowment funds</b>				
The Caroline Booth memorial prize fund	8	-	-	8
The Dr W R C Chapman prize fund	11	-	-	11
The Duke Of Devonshire prize fund	19	-	-	19
The Dermot Murray prize fund	25	-	-	25
The MacMillan prize fund	14	-	-	14
The Thomas Dakin prize fund	(1)	-	(16)	(17)
The Roger Waller prize fund	6	-	-	6
	82	-	(16)	66
<b>TOTAL FUNDS</b>	<u>3,146,682</u>	<u>(3,116,544)</u>	<u>(16)</u>	<u>30,122</u>

**Comparatives for movement in funds**

	At 1/8/16 £	Net movement in funds £	Transfers between funds £	At 31/7/17 £
<b>Unrestricted Funds</b>				
General fund	411,038	10,869	27,102	449,009
Revaluation reserve	<u>245,986</u>	-	-	<u>245,986</u>
	657,024	10,869	27,102	694,995
<b>Restricted Funds</b>				
Development fund	27,102	-	(27,102)	-
<b>Endowment funds</b>				
The Caroline Booth memorial prize fund	2,164	2	-	2,166
The Dr W R C Chapman prize fund	1,032	2	-	1,034
The Duke Of Devonshire prize fund	2,008	4	-	2,012
The Dermot Murray prize fund	2,564	4	-	2,568
The MacMillan prize fund	1,165	2	-	1,167
The Thomas Dakin prize fund	977	(19)	-	958
The Roger Waller prize fund	-	501	-	501
	9,910	496	-	10,406
<b>TOTAL FUNDS</b>	<u>694,036</u>	<u>11,365</u>	<u>-</u>	<u>705,401</u>

**Derby Grammar School Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2018**

**21. MOVEMENT IN FUNDS - continued**

Comparative 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	3,299,307	(3,194,316)	(94,122)	10,869
<b>Endowment funds</b>				
The Caroline Booth memorial prize fund	2	-	-	2
The Dr W R C Chapman prize fund	2	-	-	2
The Duke Of Devonshire prize fund	4	-	-	4
The Dermot Murray prize fund	4	-	-	4
The MacMillan prize fund	2	-	-	2
The Thomas Dakin prize fund	29	-	(48)	(19)
The Roger Waller prize fund	501	-	-	501
	544	-	(48)	496
<b>TOTAL FUNDS</b>	<b>3,299,851</b>	<b>(3,194,316)</b>	<b>(94,170)</b>	<b>11,365</b>

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.

The Roger Waller Fund was established in 2008 by a former headmaster to fund a chemistry prize.

**22. CAPITAL COMMITMENTS**

	2018 £	2017 £
Contracted but not provided for in the financial statements	<u>15,899</u>	<u>46,651</u>

The Charitable Company is contracted to add additional fencing at the sports centre.

## **Derby Grammar School Trust Limited**

### **Notes to the Financial Statements - continued for the Year Ended 31 July 2018**

#### **23. RELATED PARTY DISCLOSURES**

During the year, the charity repaid loans amounting to £1,851 (2017 - £1,880) to a charitable organisation, with which the school is affiliated, as noted in the Report of the Trustees. Amounts owed to the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £507,677 (2017 - £509,528) as at 31 July 2018.

At the year end the charity owed £94,856 (2017 - £113,603) to trustees. During the year loans amounting to £18,747 (2017 - £18,293) were forgiven by the trustees, and are reflected in gifts and donations in the statement of financial activities.

#### **24. POST BALANCE SHEET EVENTS**

On 26 March 2019 the school received the proceeds of the sale of land at Staker Lane, Mickleover amounting to in excess of £1.3m.

#### **25. COMPANY STATUS**

The Charity is a company registered in England & Wales, and 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.

#### **26. 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 £241,651 (2017: £247,266) and at the year-end £31,685 (2017 - £32,772) 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's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. 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 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 £NIL (2017: £NIL), and to the auto enrolment scheme of £3,207 (2017: £3,207).