Rykneld Hall Education Trust Limited

England & Wales · Charity number 1015449

Details

Other names	DERBY GRAMMAR SCHOOL TRUST LIMITED, DERBY GRAMMAR SCHOOL
Status	Registered
Legal form	Charitable company
Company number	02739356
Registered	1992-11-25
Register	View on the Charity Commission register

Contact

Address	Derby Grammar School Rykneld Road Littleover Derby DE23 4BX
Phone	01332 523331
Website	www.derbygrammar.org

Activities

Objects: TO ESTABLISH AND MAINTAIN AN INDEPENDENT SCHOOL IN DERBY.

Activities: Education for boys & girls aged 4 to 18

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** DERBY
- Derbyshire

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£316	£4,470	-	-
2024-03-31	£2,645,717	£2,854,287	£29,190	62
2023-07-31	£3,126,796	£4,396,527	£237,760	68
2022-07-31	£3,191,142	£3,269,306	£1,537,710	75
2021-07-31	£3,065,957	£2,952,457	£1,615,874	74

Trustees

Name	Role	Appointed
David Ian Louch		2019-06-11
James Carey Pugh-Lewis		2019-06-11
Margaret Viles		2019-06-11

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Rykneld Hall Education Trust Limited

England & Wales - Charity number 1015449

Accounts

Charity registration number 1015449

Company registration number 02739356 (England and Wales)

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees, directors and governors	Mr J Pugh-Lewis Mrs M Viles Mr I Louch Mrs K N Hopkinson
Charity number	1015449
Company number	02739356
Registered office and business address	Rykneld Hall Rykneld Road Littleover Derby DE23 4BX
Auditor	HSKSG Audit Limited Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

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RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report and financial statements for the period ended 31 March 2024.

On 28 March 2024 the company's name was changed from Derby Grammar School Trust Limited to Rykneld Hall Education Trust Limited. This followed the acquisition of the school on this date by the Inspired Learning Group (ILG). The acquiring party was company number 15484546, DGS London Limited, later renamed Derby Grammar School Limited.

Due to the acquisition of the school on 28 March 2024, the accounting period was accordingly shortened to be for the eight months months from 1 July 2023 to 31 March 2024. Due to this reason, the prior year figures are not comparable.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2019).

As the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies, is not required.

Objectives and activities

The charity's principal objective for which the company was established was to educate children in the City of Derby, South Derbyshire and Burton-upon-Trent. Prior to its sale, this was achieved through the operation of Derby Grammar School.

Following the sale of the school the principal objective of the Rykneld Hall Education Trust ("the Trust") has been revised and is now to advance education by providing financial support in the form of bursaries to pupils attending Derby Grammar School using residual funds from the sale of the school as well as other income that may become due under the terms of the sale. The Trust aims to widen access to high-quality education by enabling children from financially disadvantaged backgrounds to benefit from the academic and extracurricular opportunities offered by the school.

Grantmaking

Throughout the financial period the Governors of Derby Grammar School were 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 could 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 were subject to repeat testing of parental means each year and could be varied upwards or downwards, depending on parental circumstances.

Gifted pupils were also recognised with a wide range of scholarships, while assistance was given to families of multiple children with sibling discounts.

Going forward, the Trust will continue to award bursaries on the same basis.

Achievements and performance

During the financial period ended 31st March 2024 the Trust continued to operate Derby Grammar School for the Autumn and Spring Terms. Against a backdrop of an uncertain future, the school continued delivering a high-quality educational offering accompanied by a wide range of co-curricular opportunities.

As ownership of the school changed most of the teaching and support staff remained in post to provide a seamless transition with minimal interruption to the education provision, especially for the Year 11 & 13 cohorts approaching their GCSEs and A Levels respectively.

Following completion of the academic year these cohorts achieved the following headline results:

GCSE – 55% of all results were grades 7 – 9

A Level – 49% of all results were A* - B

Financial review

Business Review

Times continued to be challenging for the Independent School Sector in general as families and schools experienced high levels of inflation, rising interest rates and substantial increases in food and energy costs in particular.

Against this backdrop, the focus of our attention continued to be on the quality of education provision alongside increased pastoral care to support our pupils‘ learning and personal welfare.

In light of the underlying financial performance of the School over recent years, having moved from break-even in 2022 to subsequent deficits, and difficult economic conditions, the Trustees elected to engage the services of various specialist advisors to assist in the assessment of the strategic options open to The School in order to secure its long term future. Legal advice was taken from law firm VWV and financial & business advice from BDO LLP as well as other regulatory bodies.

Having considered the various options the Trustees concluded that it was in the best interests of The School to identify and actively engage with a suitable partner / investor. With the assistance of VWV and BDO, given their inherent knowledge of the Independent School Sector, a target list was agreed and a pro-active marketing and promotional initiative implemented. It was conducted in strictest confidence with interested parties entering into appropriate NDAs. It was not in the Schools best interests to promote this in the open market in order to avoid any uncertainty as to the School's future for pupils and staff alike.

The following factors were taken into consideration in deciding to pursue the sale of The School :

- Professional advice and published information relating to demographic, social and market trends which indicate clearly that the current market for schools such as Derby Grammar School is one for consolidation and amalgamation

- Changing patterns in family circumstances and lifestyle in the UK and local area and in the longer term financial pressures on young families arising from the repayment of student debt, high mortgage and pension costs

- Inflationary pressures on the cost base of independent schools in particular from increased cost of utilities and supplies, teachers salaries, pensions and the cost of complying with increased regulation

- Recent risks identified arising from potential political changes that might result in the introduction of VAT on school fees and the removal of a number of other benefits of charitable status

Through a rigorous selection process a suitable school operator was identified with a view to selling the School to them to secure its future. Heads of Terms completed (22 February 2024) and Contract exchanged (7 March 2024) with completion on 28 March 2024. The Charity Commission and DfE have been advised accordingly.

Reserves Policy

Historically the charity's reserve policy was to maintain a level of free reserves equal to two terms expenses. In light of the difficult trading conditions experienced, as at 31 July 2023 the charity had a deficit in free reserves (being total funds less fixed assets and endowment funds) of £1,443,974. and total reserves of £237,760, of which £10,722 was restricted. In view of this being the charity's position, the trustees undertook the actions detailed in the review of financial position above.

Following the sale of the school on 28 March 2024, the charity retained reserves of £29,190 from which to meet its future financial obligations.

Principal risks and uncertainties

The following were applicable throughout the period up to 28 March 2024 when the school was sold.

The trustees had a duty to identify and review the risks to which the charity was exposed and to ensure appropriate controls were in place to provide reasonable assurance against fraud and error. Where risks were identified, any required action was delegated to the Senior Leadership Team or other appropriate school personnel to implement, with appropriate oversight by the Governors to ensure any required action was undertaken.

The trustees assessed the major risks to which the charity was exposed, and were satisfied that systems were in place to mitigate exposure to the major risks.

In the Trustees' opinion, the principal areas of risk to which the School was exposed were:

The market in which the School operated is highly competitive and the ongoing uncertainty in relation to the economy and the government's policies with regard to education meant that maintaining and increasing the level of pupil numbers remained a key focus. Pupils achieved excellent results and the School continued to be placed as one of the top performing schools in the East Midlands. We constantly monitored the educational standards of the School in order to attract and retain pupils and increased our marketing effort to ensure that our success was more widely known.

As for any school, the level of regulation and compliance was high. Specifically, the safeguarding of pupils and the health and safety of staff and pupils remained a key priority.

To ensure any risks were considered and addressed, the School had appropriate risk assessments, policies and procedures in place. Staff undertook appropriate and regular training with accredited training providers. Consultation was sought where necessary from external expert agencies, particularly with regards to Health and Safety and safeguarding training.

The Board of Governors was a member of AGBIS which gave expert advice and training to ensure the Governors were suitably trained to oversee the School in this regard. There were sufficient members of the Board to specialise in their sub-committee structure.

With effect from 28 March 2024, following the sale of the school and the terms of this, future risks to the charity are currently considered minimal.

Plans for future periods

The Trust aims to remain in existence up until 28th March 2028, being the date of expiration of the overage clause associated with the sale of the school. At this date, if no overage payments have been due, it is anticipated that the Trust will be wound up and any remaining funds disbursed in line with the trust’s objectives.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

Mr A Gentles	(Resigned 28 March 2024)
Mr J Pugh-Lewis	
Mrs M Viles	
Mr I Louch	
Mrs D M Cadman	(Resigned 28 March 2024)
Mr N G Chattle	(Resigned 17 September 2024)
Mr R S Atwal	(Resigned 28 March 2024)
Mrs K N Hopkinson	

Recruitment and appointment of 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.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees administers the charity. The Board meets four times a year, as did the Governors, and there were sub-committees covering education, finance, property, health and safety and safeguarding which also met at least four times a year.

The Head, appointed by the Trustees, managed the day to day operations of the school.

Induction and training of new Trustees

The school followed the guidelines in respect of this matter issued by the Independent Schools Association and AGBIS.

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.

The Trustees are grateful to DGS Foundation for its continued support throughout the period that included a donation of £50,149

Auditor

Following the sale of the school it is expected the charity will no longer an require an audit. Accordingly HSKSG Audit Limited have not been reappointed as auditors of the charity.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

.....
Mr J Pugh-Lewis
Trustee

Date: .....

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2024

The trustees, who are also the directors of Rykneld Hall Education Trust Limited (formerly known as Derby Grammar School Trust Limited) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

Opinion

We have audited the financial statements of Rykneld Hall Education Trust Limited (formerly known as Derby Grammar School Trust Limited) (the 'charity') for the period ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial period for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity’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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Charitable Company's activities and its control environment. We also enquired of management about their identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework in which the Charitable Company operates and identified key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements, which included the Companies Act 2006, tax legislation and payroll legislation; and
- Did not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Company's ability to operate.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how / where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of accounting adjustments and journal entries, assessed whether accounting estimates were reasonable and accurate and reviewed the accounting records for any significant and unusual transactions.
In addition, our procedures to respond to the risks identified included:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected variances that may indicate risks of material misstatement due to fraud;
- Enquiring of management about any instances of non-compliance with laws and regulations and any instances of known or suspected fraud; and
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's 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 HSKSG Audit Limited .....

Chartered Accountants
Statutory Auditor

Charlotte House
Stanier Way
The Wyvern Business Park
Derby
DE21 6BF

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	**3**	50,149	-	50,149	-	-	-
Charitable activities	**4**	2,094,500	-	2,094,500	3,126,766	-	3,126,766
Investments	**5**	15	-	15	30	-	30
Material other income	**6**	501,053	-	501,053	-	-	-
Total income		2,645,717	-	2,645,717	3,126,796	-	3,126,796
Expenditure on:							
Charitable activities	**7**	2,446,861	-	2,446,861	4,361,092	-	4,361,092
Other	**12**	407,426	-	407,426	35,435	-	35,435
Total expenditure		2,854,287	-	2,854,287	4,396,527	-	4,396,527
Net gains/(losses) on investments	**13**	-	-	-	22,391	-	22,391
Net outgoing resources before transfers		(208,570)	-	(208,570)	(1,247,340)	-	(1,247,340)
Gross transfers between funds		10,722	(10,722)	-	-	-	-
Net outgoing resources		(197,848)	(10,722)	(208,570)	(1,247,340)	-	(1,247,340)
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	(52,610)	-	(52,610)
Net movement in funds		(197,848)	(10,722)	(208,570)	(1,299,950)	-	(1,299,950)
Fund balances at 1 August 2023		227,038	10,722	237,760	1,526,988	10,722	1,537,710
Fund balances at 31 March 2024		29,190	-	29,190	227,038	10,722	237,760

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derives from discontinuing activities.

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	**16**		-		1,620,284
Investments	**17**		50,728		50,728
			50,728		1,671,012
Current assets					
Stocks	**18**	-		8,994	
Debtors	**19**	12,869		215,595	
Cash at bank and in hand		9,614		216	
		22,483		224,805	
Creditors: amounts falling due within one year	**22**	(44,021)		(868,453)	
Net current liabilities			(21,538)		(643,648)
Total assets less current liabilities			29,190		1,027,364
Creditors: amounts falling due after more than one year	**23**		-		(789,604)
Net assets			29,190		237,760
Capital funds					
Endowment funds - general	**26**		-		10,722
Income funds					
Unrestricted funds			29,190		227,038
			29,190		237,760

The financial statements were approved by the Trustees on .....

.....
Mr J Pugh-Lewis
Trustee

Company Registration No. 02739356

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash absorbed by operations	**30**		(66,803)		(274,720)
Investing activities					
Purchase of tangible fixed assets		(20,287)		(68,192)	
Proceeds on disposal of tangible fixed assets		1,304,120		-	
Repayment of investment loans and receivables		18,664		(18,664)	
Investment income received		15		30	
Net cash generated from/(used in) investing activities			1,302,512		(86,826)
Financing activities					
Repayment of borrowings		(34,222)		(40,656)	
Repayment of bank loans		(726,400)		(23,534)	
Net cash used in financing activities			(760,622)		(64,190)
Net increase/(decrease) in cash and cash equivalents			475,087		(425,736)
Cash and cash equivalents at beginning of period			(465,473)		(39,737)
Cash and cash equivalents at end of period			9,614		(465,473)
Relating to:					
Cash at bank and in hand			9,614		216
Bank overdrafts included in creditors payable within one year			-		(465,689)

1 Accounting policies

Charity information

Rykneld Hall Education Trust Limited (formerly known as Derby Grammar School Trust Limited) is a private company limited by guarantee incorporated in England and Wales. The registered office is Rykneld Hall, Rykneld Road, Littleover, Derby, Derbyshire, DE23 4BX.

The name of the company was changed from Derby Grammar School Trust Limited to Rykneld Hall Education Trust Limited on 28 March 2024.

The accounting period has been shortened to be for the eight months 1 August 2023 to 31 March 2024 to reflect the period the charity operated Derby Grammar School. The school was sold on 28 March 2024.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The School has traditionally met its day to day working capital requirements through occasional use of an overdraft facility of £500,000. Fees are generally paid by parents on a termly basis and as a result there is considerable variation in the levels of cash. As at 31 March 2024 the overdraft balance was £nil (2023 - £465,689).

Following the sale of the school on 28 March 2024, the bank indebtedness was repaid in full and facilities withdrawn. The company has retained reserves of £29,190 that are considered sufficient for it to meet its future financial obligations.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

The endowment fund is in respect of funds for prizes awarded on Speech Day every year. Further explanation of each fund is detailed in note 28.

1 Accounting policies **(Continued)**

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government and other grants are recognised in the Statement of Financial Activities in the period to which they relate when there is a reasonable assurance that the charity will comply with conditions attaching to them and the grants will be received.

School fees receivable represent invoiced fees for education supplied and are recognised in the year to which they relate. School fees recognised are reported net of any scholarships, bursaries or other allowances granted by the charity.

Income from other trading activities, including non-ancillary trading income is recognised as it is earned from any services supplied.

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

1.5 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 reasonably.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, or if held under a finance lease, over the lease term, whichever is the shorter, on the following bases:

Freehold land and buildings	straight line over varying numbers of years
Plant and equipment	at varying rates on cost
Motor vehicles	25% on cost

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred. Surpluses and deficiencies arising on sale are reflected in the year of disposal.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

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

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial assets

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

1 Accounting policies **(Continued)**

Derecognition of financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Taxation

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

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The charity has operated a defined contribution scheme for teaching staff.

The charity also operated a money purchase scheme for non teaching staff.

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

1.15 Foreign exchange

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 the transaction. Exchange differences are taken into account in arriving at the operating result.

1 Accounting policies **(Continued)**

1.16 Concessionary loans

Concessionary loans are initially measured at the amount received or paid.

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

1.17 Debtors

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

1.18 Liabilities

Trade and other creditors are recognised at the settlement amount due after any trade discount received.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	50,149	-

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Education		
School fees	1,984,833	2,812,854
Registration fees	3,506	3,630
Rents received	3,946	10,327
Other income	79,270	141,296
Welfare		
School fees	1,603	128,680
Support		
Other income	21,342	29,979
	2,094,500	3,126,766

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	15	30

6 Other material income

Gain on sale of the business

On 28 March 2024, the school was sold to Inspired Learning Group (UK) Limited (ILG) on the agreed terms. As part of the sale, the rights on stock and to receive the financial assets, along with obligations to pay the financial liabilities, were transferred to ILG. Other material income for the period of £501,053 (2023 - £nil) represents the net gain on these transfers and is a non-cash consideration.

7 Charitable activities

	Education	Welfare	Premises	Support	Finance	Total 2024	Total 2023
	2024 £	2024 £	2024 £	2024 £	2024 £	£	£
Staff costs	1,332,152	22,941	-	146,409	-	1,501,502	2,353,521
Depreciation and impairment	-	-	48,672	-	-	48,672	1,027,436
Hire of plant and machinery	-	-	-	14,852	-	14,852	23,501
Rates and refuse collection	-	-	5,537	-	-	5,537	5,728
Insurance	-	-	14,753	-	-	14,753	36,950
Utilities	-	-	95,790	-	-	95,790	108,417
Telephone	-	-	-	3,293	-	3,293	4,202
Postage and stationery	-	-	27	8,724	-	8,751	12,354
Marketing	-	-	-	45,921	-	45,921	55,441
Sundry expenses	1,709	-	-	24,023	-	25,732	30,684
Motor expenses	6,742	-	-	-	-	6,742	4,805
Repairs and maintenance	1,020	1,329	53,320	58,871	-	114,540	166,408
Legal and professional fees	-	-	-	56,822	-	56,822	100,321
Bank charges	-	-	-	-	19,187	19,187	9,867
Other school operating costs	158,157	185,325	46,227	75,194	-	464,903	410,198
Bad debts	479	-	-	-	-	479	(475)
	1,500,259	209,595	264,326	434,109	19,187	2,427,476	4,349,358
Share of governance costs (see note 8)	-	-	2,482	16,903	-	19,385	11,734
	1,500,259	209,595	266,808	451,012	19,187	2,446,861	4,361,092
Analysis by fund							
Unrestricted funds	1,500,259	209,595	266,808	451,012	19,187	2,446,861	4,361,092

7 Charitable activities **(Continued)**

For the period ended 31 July 2023

	Education	Welfare	Premises	Support	Finance	Total 2023
	£	£	£	£	£	£
Staff costs	2,051,024	75,085	33,254	194,158	-	2,353,521
Depreciation and impairment	-	-	1,027,436	-	-	1,027,436
Hire of plant and machinery	-	-	-	23,501	-	23,501
Rates and refuse collection	-	-	5,728	-	-	5,728
Insurance	-	-	36,950	-	-	36,950
Utilities	-	-	108,417	-	-	108,417
Telephone	-	-	-	4,202	-	4,202
Postage and stationery	-	-	-	12,354	-	12,354
Marketing	-	-	-	55,441	-	55,441
Sundry expenses	871	80	-	29,733	-	30,684
Motor expenses	3,123	1,682	-	-	-	4,805
Repairs and maintenance	-	-	87,247	79,161	-	166,408
Legal and professional fees	-	-	-	100,321	-	100,321
Bank charges	-	-	-	-	9,867	9,867
Other school operating costs	141,298	162,448	20,699	85,753	-	410,198
Bad debts	(475)	-	-	-	-	(475)
	2,195,841	239,295	1,319,731	584,624	9,867	4,349,358
Share of governance costs (see note 8)	-	-	544	11,190	-	11,734
	2,195,841	239,295	1,320,275	595,814	9,867	4,361,092
Analysis by fund						
Unrestricted funds	2,195,841	239,295	1,320,275	595,814	9,867	4,361,092

8 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Audit fees	-	13,290	13,290	-	8,393	8,393
Accountancy	-	3,613	3,613	-	2,797	2,797
Insurance	-	2,482	2,482	-	544	544
	-	19,385	19,385	-	11,734	11,734
Analysed between						
Charitable activities	-	19,385	19,385	-	11,734	11,734

9 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	13,290	8,393
Depreciation of owned tangible fixed assets	48,672	69,538
Impairment of owned tangible fixed assets	-	957,898
Loss on disposal of tangible fixed assets	287,778	-

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

11 Employees

The average monthly number of employees during the period was:

	2024	2023
	Number	Number
School	48	45
Catering	-	4
Administration	6	8
Property	2	6
Marketing	2	2
Sports Centre	4	3
Total	62	68

11 Employees **(Continued)**

Employment costs	**2024**	**2023**
	£	**£**
Wages and salaries	1,239,178	1,902,856
Social security costs	112,727	223,795
Other pension costs	149,597	226,870
	1,501,502	2,353,521

The charity operated a defined contribution scheme for teaching staff. The cost for the period represents the charity's contributions to this scheme of £130,958 (2023 - £196,583).

The school also administered an auto enrolment scheme, The People's Pension, for its non-teaching staff. The cost for the period represents the charity's contributions to the auto enrolment scheme of £5,336 (2023 - £9,101).

The number of employees whose annual remuneration, or pro-rata equivalent, was more than £60,000 is as follows:

	2024	**2023**
	Number	**Number**
£80,001 - £90,000	1	1

Pension contributions made in respect of higher paid employees totalled £4,680 (2023 - £7,020).

12 Other

	Unrestricted funds	Unrestricted funds
	2024	2023
Net loss on disposal of tangible fixed assets	287,778	-
Operating activity disposal legal and professional fees	51,631	-
Bank loan breakage charge	44,722	-
Financing costs	23,295	35,435
	407,426	35,435

13 Gains and losses on investments

	Unrestricted funds 2024	Unrestricted funds 2023
Gains/(losses) arising on:	£	£
Revaluation of investments	-	22,391

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

15 Impairments

On 28 March 2024 the assets of the school were disposed of at an agreed value.

The value of such assets were included in the financial statements at an impaired value as at 31 July 2023. The resulting impairment losses in the prior year, which were considered exceptional, were included in the Statement of Financial Activities for the year ended 31 July 2023 within Expenditure on Charitable activities as follows:

	2024	2023
	£	£
In respect of:		
Property, plant and equipment	-	957,898

16 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 August 2023	3,100,162	1,302,452	63,830	4,466,444
Additions	16,032	4,255	-	20,287
Disposals	(3,116,194)	(1,306,707)	(63,830)	(4,486,731)
Depreciation and impairment				
At 1 August 2023	1,509,880	1,272,451	63,830	2,846,161
Depreciation charged in the period	14,417	34,255	-	48,672
Eliminated in respect of disposals	(1,524,297)	(1,306,706)	(63,830)	(2,894,833)
Carrying amount				
At 31 March 2024	-	-	-	-
At 31 July 2023	1,590,282	30,002	-	1,620,284

16 Tangible fixed assets **(Continued)**

All freehold land and buildings were pledged to secure the bank borrowings and the loans from benefactors. This security terminated on 28 March 2024 when the properties were sold.

17 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2023 & 31 March 2024	50,728
Carrying amount	
At 31 March 2024	50,728
At 31 July 2023	50,728

There were no investment assets outside the UK.

The unrestricted fund investments comprise historic assets donated to the charity.

During the previous period the respective items were valued by various professional valuers, including Christies and Sothebys, and based on these valuations an assured value of £50,000 was placed on these assets within the sale agreement for the school that was enacted on 28 March 2024. Based on this valuation the directors deemed this to be a fair value of the assets concerned at both the current and prior balance sheet date and accordingly reflected this value in the respective financial statements.

18 Stocks

	2024 £	2023 £
Stocks	-	8,994

As detailed in note 6, the rights to stock were transferred on the sale of the school on 28 March 2024.

19 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	-	55,853
Other debtors	12,869	57,692
Prepayments and accrued income	-	102,050
	12,869	215,595

As detailed in note 6, the rights to receive financial assets were transferred on the sale of the school on 28 March 2024.

20 Contingent asset

To enable fulfilment of future obligations, per the terms of sale, the charitable company has the right to request additional funds, to a maximum amount of £25,000 (2023 - £nil), from the purchaser of the school, Inspired Learning Group (UK) Limited.

21 Loans and overdrafts

	2024	2023
	£	£
Bank overdrafts	-	465,689
Bank loans	-	726,400
Other loans	-	34,222
	-	1,226,311
Payable within one year	-	524,507
Payable after one year	-	701,804

Amounts included above which fall due after five years:

Payable by instalments	-	(119,618)
Payable other than by instalments	-	(470,825)
	-	(590,443)

There was in place an overdraft facility of £500,000. This facility subsequently ceased in March 2024 following repayment of the overdraft.

Prior to its repayment, this facility carried interest at a variable rate set at 2.25% above the base rate of Barclays Bank Plc.

Barclays Bank held the following security for its loan and overdraft facilities:
- a first legal charge over the charity's buildings and certain property
- a debenture over the charity's other assets
- a first legal charge over Rykneld Sports Centre

A bank loan of £nil (2023 - £726,400) was repayable over a period of 10 years in the first instance, repayments having started in April 2022. The bank had the right to ask for immediate repayment of the whole of the loan outstanding if any of the terms and conditions of the loan were breached. As part of the agreement for the sale of the school on 28 March 2024 this loan was repaid in full on this date.

The bank loan carried interest at a fixed rate for the initial term set at 4.79%.

Other loans comprise benefactor loan of £nil (2023 - £34,222).

This loan, which was repaid in full on 28 March 2024 was interest free, had no fixed date for repayment. and was secured against freehold land and buildings.

22 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	21	-	490,285
Other borrowings		-	34,222
Other taxation and social security		-	44,621
Payments received on account		-	61,683
Trade creditors		4,200	158,534
Other creditors		1,219	60,977
Accruals and deferred income		38,602	18,131
		44,021	868,453

As detailed in note 6, obligations to pay financial liabilities were transferred on the sale of the school on 28 March 2024.

23 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	21	-	701,804
Other creditors		-	87,800
		-	789,604

24 Secured debts

Information about secured debts is given in notes 16 and 21.

25 Retirement benefit schemes

Defined contribution schemes	2024 £	2023 £
Charge to profit or loss in respect of defined contribution schemes	149,597	226,870

The charity operated defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the charity in independently administered funds.

26 Endowment funds

Endowment funds represent assets held by the charity to fund prizes awarded on Speech Day each year. Further details of each fund are given below.

	At 1 August 2023	Transfers	At 31 March 2024
	£	£	£
Permanent endowments			
	10,722	(10,722)	-

Previous year:	At 1 August 2022	Transfers	At 31 July 2023
	£	£	£
Permanent endowments			
Prize funds	10,722	-	10,722

The Caroline Booth Memorial Prize Funds of £nil (2023 - £2,196) 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 of £nil (2023 - £1,075) 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 of £nil (2023 - £2,082) was established in 2000 by His Grace the Duke of Devonshire to fund a prize for natural sciences.

The Dermot Murray Prize Fund of £nil (2023 - £2,658) 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 of £nil (2023 - £1,216) 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 of £nil (2023 - £972) was established in 2004 by Mr S Critchell-Ward to fund the Esprit de Corps prize.

The Roger Waller Fund of £nil (2023 - £523) was established in 2008 by a former headmaster to fund a chemistry prize.

The above endowment funds were transferred to the unrestricted fund on the balance sheet date on the basis Inspired Learning Group (UK) Limited will fund these educational awards in future as part of the sale of the school agreement.

27 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2024
	£	£	£	£	£	£
General funds	227,038	2,645,717	(2,854,287)	10,722	-	29,190

Previous year:	At 1 August 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 July 2023
	£	£	£	£	£	£
General funds	1,474,378	3,126,796	(4,396,527)	-	22,391	227,038
Revaluation reserve	52,610	-	-	-	(52,610)	-

28 Analysis of net assets between funds

	Unrestricted funds 2024	Endowment funds 2024	Total 2024
	£	£	£
Fund balances at 31 March 2024 are represented by:			
Investments	50,728	-	50,728
Current assets/(liabilities)	(21,538)	-	(21,538)
	29,190	-	29,190

	Unrestricted funds 2023	Endowment funds 2023	Total 2023
	£	£	£
Fund balances at 31 July 2023 are represented by:			
Tangible assets	1,620,284	-	1,620,284
Investments	50,000	728	50,728
Current assets/(liabilities)	(653,642)	9,994	(643,648)
Long term liabilities	(789,604)	-	(789,604)
	227,038	10,722	237,760

As detailed in note 26, endowment funds were transferred to unrestricted funds on 28 March 2024.

29 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

The affiliated charitable organisation transferred £50,149 to the charity by way of donation to provide financial support and also repaid in full a loan previously outstanding at 31 July 2023 in the sum of £18,664. This loan was interest free and had no fixed repayment date.

As at the balance sheet date £1,219 (2023 - £nil) was payable to the affiliated charitable organisation.

At the balance sheet date the charity owed £nil (2023 - £34,222) to former trustees.

Two governors have children who attended the School. No fee discounts or benefits were provided to those families due to their positions on the Board of Trustees.

30 Cash generated from operations

	2024	2023
	£	£
Deficit for the period	(208,570)	(1,247,340)
Adjustments for:		
Investment income recognised in statement of financial activities	(15)	(30)
Loss on disposal of tangible fixed assets	287,778	-
Fair value gains and losses on investments	-	(22,391)
Depreciation and impairment of tangible fixed assets	48,672	1,027,436
Movements in working capital:		
Decrease/(increase) in stocks	8,994	(6,191)
Decrease/(increase) in debtors	184,063	(69,031)
(Decrease)/increase in creditors	(387,725)	42,827
Cash absorbed by operations	(66,803)	(274,720)

31 Analysis of changes in net funds/(debt)

	At 1 August 2023	Cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	216	9,398	9,614
Bank overdrafts	(465,689)	465,689	-
	(465,473)	475,087	9,614
Loans falling due within one year	(58,818)	58,818	-
Loans falling due after more than one year	(701,804)	701,804	-
	(1,226,095)	1,235,709	9,614

Rykneld Hall Education Trust Limited

England & Wales - Charity number 1015449

Accounts

Reg. & CC

Charity registration number 1015449

Company registration number 02739356 (England and Wales)

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees, directors and governors	Mr J Pugh-Lewis Mrs M Viles Mr I Louch Mr N G Chattle Mrs K N Hopkinson	 (Appointed 9 December 2022)
Secretary	Mr G R Nixey	
Charity number	1015449	
Company number	02739356	
Registered office and business address	Rykneld Hall Rykneld Road Littleover Derby DE23 4BX	
Auditor	HSKSG Audit 18 St Christopher's Way Pride Park Derby DE24 8JY	
Bankers	Barclays Bank PLC Derby	
Solicitors	Flint Bishop LLP	
Patron	Sir Nigel Rudd	
Head	Mr P Logan	

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

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RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2019).

Since the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies, is not required.

On 28 March 2024 the company's name was changed from Derby Grammar School Trust Limited to Rykneld Hall Education Trust Limited.

Objectives and activities

The charity's principal objective 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 experience, 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 well-rounded life, whilst having fun and being happy in our school environment.

Founded in 1995, our aim is to provide an excellent education for boys and girls 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.

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 academic curriculum, with the aim that by the time pupils leave the school, they will be confident, articulate, self-assured and well prepared for life after school.

Inspiring a passion for learning that remains with pupils throughout their lives is central to our values and our motto embodies this - 'vita sine litteris mors'; it translates as 'life without learning is death'. Three principles lie at our core: excellence, enrichment and encouragement. We provide superb teaching, incredible opportunities and a supportive, friendly atmosphere. These are the things that make us special. They are the reasons our pupils come into school every day with a smile, eager to learn and expand their minds.

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.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Grant making policy

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 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 assist families of multiple children with sibling discounts.

Achievements and performance

Significant activities and achievements against objectives

Curriculum

The National Curriculum provides the basis for our Primary Department's broad and balanced curriculum, which focuses on developing excellence in literacy and numeracy, whilst encouraging every pupil to discover her or 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 pupils' 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 pupils progress on to Year 10 the curriculum is divided into core and options which enables each student 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. The Extended Project Qualification can also be pursued by pupils in the Sixth Form.

GCSE Subject Headlines

Computer Science – 100% grade 7-9

GCSE Pupil Headlines

The top scoring candidate achieved 9 grade 7- 9's.

A Level Trends
In Summer 2023, public examinations results were below those achieved by the school in 2022, reflecting the return to pre-pandemic grading and the national trend.

Percentage of A*-A grades: 20%
Percentage of A*-B grades: 44%

A Level Pupil Headlines
5 pupils achieved 3 or more A*-B grades

A Level Subject Headlines
Music - 100% A

The House System
Inter-house competitions take place involving all pupils in sports, curricular and co-curricular activities. Sporting House Competitions during 2022/23 included football, rugby, cross-country running, tug-of-war, hockey, cricket and athletics. In addition, there have been House Competitions in art, music, debating , chess and writing.

Music and Co-curricular
Weekly co-curricular opportunities across the school have returned to pre-covid levels. For the Primary Department clubs (excluding music and sport) included:- Three Bears Cookery Club, Soccer Stars UK, Monday Morning Mile, Fiction Library, Art and Craft, Lego Club, Coding Club, Authorfy and Gardening Club.

Forest School (NB the School has official accreditation) is imbedded in the Primary School as part of the curriculum, but is offered as an after school co-curriculum activity to Senior School pupils.

Senior School clubs for 2022-23 (excluding music and sports) include:- Foreign Languages Film Club, Arts and Crafts Club, Robotics, Year 7 Film Club, Senior Forest School, Senior Chess Club, Y7-9 Science Club, Table Tops Games Club, Warhammar, Psychology Club, Archery and Code Club. The School's Formula 24 racing team won national competitions during summer 2023.

Music continues to be a strength of Derby Grammar School. Choirs, bands and jazz ensembles rehearse weekly and perform at concerts the School, city and county. Significant numbers of pupils are members of Hot House Music and rehearse in School on several evening each week and pupils also play with the County Youth Orchestra.

The Duke of Edinburgh Award programme has engaged large numbers of pupils. All pupils in Year 9 took part in Bronze expeditions in Summer 2023. There has also been notable success at Silver and Gold level with a record breaking number of pupils attending a Gold Award Ceremony at Buckingham Palace during summer 2023.

Pupils have continued to enjoy success in regional and national competitions, including the UK Mathematics Challenge at all levels. The Formula 24 team has raced at Goodwood, Aintree and Castle Combe.

Co-curricular trips during Activities Week in summer 2023 saw pupils in Years 7-12 sailing, canoeing and climbing and at the start of the autumn term Year 7 enjoyed an outdoor education residential at Whitemoor Lakes,

Speech and Drama
Speech and Drama lessons remain a popular peripatetic lesson choice, with over 40 pupils participating from Years 3 to 13. LAMDA exams are taken in house at the end of each term

Charitable support
Tanzania
Our partnership with Amani School in Mwanza, Tanzania and orphanages in the vicinity is now in its 2nd year. We continue to raise money for the project in school (over £2000 in this year's School Charities Week). Pupils were able to visit Tanzania in the summer of 2023 for the first time since 2019.

YMCA
Our Harvest Festival and Christmas Shoebox appeals provided food, provisions, toiletries and gifts for homeless young people in the Derby area.

During 2023 the school has also raised money for Children in Need.

Sport
Sport continues to be a very popular subject and plays a vital role in the life of all Derby Grammar School pupils. The School benefits from having a well qualified and experienced Sports Department of specialist PE teachers, delivering high quality PE and Games lessons to pupils across the whole School. This provision is continued within the co-curricular offer and ensures pupils receive excellent input from specialist physical educators at all times.

Pupils participate in regular inter-school matches against other schools and have frequent opportunities for school representation in a competitive environment. The School has a well developed sports scholarship programme that provides pupils with an off field sporting education where pupils have access to leading experts from the Derbyshire Institute of Sport covering a wide range of sports performance topics such as nutrition, strength and conditioning, sports psychology, sleep, injury and prevention. This both attracts and retains gifted and talented pupils to the school.

The Schools core sports provision of rugby, hockey and cricket is offered termly and provides pupils with the opportunity to represent the School within a well balanced, competitive and enjoyable set of sports fixtures throughout the year. The School is well resourced in terms of practice and playing facilities, both on site and at its sports facility at Rykneld Sports Centre.

In addition to the core sports provision, the School offers its pupils the opportunity to explore and develop their personal, physical, social and moral qualities across a wide variety of sporting activities, at various key stages, including; health related fitness, basketball, short tennis, badminton, swimming, gymnastics, dance, invasion games, ball skills, football, table tennis, striking and fielding, and athletics.

School Trips
Our commitment to trips and visits to enrich pupils' education continues to be important. During 2023 the Primary Department visits have included Year 6 to PGL for outdoor education, Bikability Week for various Year groups and Activities Week visits to Cadbury's World and the Sea Life Centre in Birmingham. In the Senior School the priority has been to support academic studies with GCSE Geography fieldwork at Cannock Chase and in Stafford and A Level Geography field work in Cheshire. History fieldwork has seen GCSE pupils visit Hadrian's Wall.

Rykneld Sports Centre
At Rykneld Sports Centre investment in new gym equipment has benefited the pupils. The astro turf is swept on a regular basis and is annually 'refreshed', with the addition of sand to the base. This has not only benefited our pupils but also improved school-club links have resulted in external clubs now using the facility as an additional venue for their senior and junior hockey teams.

Financial review

Business Review

This was an extremely challenging year for the Independent School Sector in general as families and schools experienced high levels of inflation, rising interest rates and substantial increases in food and energy costs in particular.

Against this backdrop, the focus of our attention has continued to be on the quality of education provision alongside increased pastoral care to support our pupils as we emerge from the aftermath of the global pandemic and its impact on our pupils' learning and personal welfare. The Trustees were therefore particularly pleased to see another strong year for both GCSE and A-Level exam results whilst recognising the re-alignment of national marking standard to pre-pandemic levels.

This is credit to the diligence and hard work of the pupils, staff and support of their families.

Regrettably the School moved from a break-even in 2022 to a deficit in 2023 as a direct result of a decline in pupil numbers, due to a higher than anticipated level of attrition in a number of year groups, allied to a lower than forecast conversion of registered enquiries into new pupil intake. This coupled with considerable increases in food, energy and by necessity having to provide a standalone transport facility at short notice came at a considerable but unavoidable cost. The School is acutely aware of the financial pressures that its pupils' parents are under and has limited the fee increases wherever possible whilst taking appropriate measures to manage the rising costs.

In light of the underlying financial performance of the School over recent years and difficult economic conditions the Trustees elected to engage the services of various specialist advisors to assist in the assessment of the strategic options open to The School in order to secure its long term future. Legal advice was taken from law firm VWV and financial & business advice from BDO LLP as well as other regulatory bodies.

Having considered the various options the Trustees concluded that it was in the best interests of The School to identify and actively engage with a suitable partner / investor. With the assistance of VWV and BDO, given their inherent knowledge of the Independent School Sector, a target list was agreed and a pro-active marketing and promotional initiative implemented. It was conducted in strictest confidence with interested parties entering into appropriate NDAs. It was not in the Schools best interests to promote this in the open market in order to avoid any uncertainty as to the School's future for pupils and staff alike.

The following factors were taken into consideration in deciding to pursue the sale of The School :

- Professional advice and published information relating to demographic, social and market trends which indicate clearly that the current market for schools such as Derby Grammar School is one for consolidation and amalgamation
- Changing patterns in family circumstances and lifestyle in the UK and local area and in the longer term financial pressures on young families arising from the repayment of student debt, high mortgage and pension costs
- Inflationary pressures on the cost base of independent schools in particular from increased cost of utilities and supplies, teachers salaries, pensions and the cost of complying with increased regulation
- Recent risks identified arising from potential political changes that might result in the introduction of VAT on school fees and the removal of a number of other benefits of charitable status

Through a rigorous selection process a suitable school operator was identified with a view to selling the School to them to secure its future. Heads of Terms completed (22 February 2024) and Contract exchanged (7 March 2024) with completion on 28 March 2024. The Charity Commission and DfE have been advised accordingly

Reserves policy

Reserves Policy

During the year ended 31 July 2023 the charity's reserve policy was to maintain a level of free reserves equal to two terms expenses. In light of the difficult trading conditions experienced, as at the balance sheet date the charity had a deficit in free reserves (being total funds less fixed assets and endowment funds) of £1,443,974 (2022 - £1,133,487 deficit). In view of this being the charity's position, the trustees undertook the actions detailed in the review of financial position above.

As at the balance sheet date total reserves were £237,760 (2022 - £1,537,710) of which £10,722 (2022 - £10,722) was restricted.

Following the sale of the school on 28 March 2024, the charity retained an assured minimum reserve of £50,000 from which to meet its future financial obligations.

Major risks

Principal risks and uncertainties

The following were applicable throughout the year under review and up to 28 March 2024.

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. 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.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

In the Trustees' 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 continues to be placed as one of the top performing schools in the East Midlands. 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 and pupils remains a key priority.

To ensure any risks are considered and addressed, the School has appropriate risk assessments, policies and procedures in place. Staff undertake appropriate and regular training with accredited training providers. Consultation is sought where necessary from external expert agencies, particularly with regards to Health and Safety and safeguarding training.

The Board of Governors is a member of AGBIS which gives expert advice and training to ensure the Governors are suitably trained to oversee the School in this regard. There are sufficient members of the Board to specialise in their sub-committee structure.

With effect from 28 March 2024, following the sale of the school and the terms of this, future risks to the charity are currently considered minimal.

Plans for future periods

As at the balance sheet date plans for future periods were as follows:

With the recent opening of provision for Reception, Year 1 and Year 2 and the Primary School going fully co-educational in September 2022 and the trustees are embarking upon an ambitious phase of growth. Links with local nurseries, pre-schools and Primaries are being reinstated, with community events planned for 2024, including stay and play and forest school events.

The school has expanded its sports provision through the opening of a gym and weights room. This is open to the public and offered free to staff at certain times to enhance well-being. Additions to the programme of girls' games have been well received, and we are looking to embed and develop this further as the school attracts increasing numbers of girls into the fully co-educational School.

The trustees are seeking to further develop the IT facilities and infrastructure of the School. Investment has been made in in-class technology, purchasing the latest SMART interactive white boards for a number of subject areas, with more or better alternatives to be installed in 2024. As a Google Education Suite School, more Chromebooks have been bought to enable further IT-based learning, independent learning and research skills to be developed. In addition, a new rolling programme of external and internal redecoration has begun.

Having rolled out a successful online learning programme for pupils during the COVID pandemic, investment has been made in new hardware, such as in-class webcams and visualisers, new educational software, staff training and virtual educational platforms such as Microsoft Teams, to enhance this provision. Any future necessity of online education is therefore fully resourced.

However, in light of the ongoing trading pressures and difficulties, the subsequent sale of the school on 28 March 2024 has revised these plans with it expected that the charity will continue for a period sufficient to fulfil its obligations prior to its eventual winding-up.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A Gentles	(Resigned 28 March 2024)
Mr J Pugh-Lewis	
Mrs M Viles	
Mr I Louch	
Mrs D M Cadman	(Resigned 28 March 2024)
Mrs N K Virk	(Resigned 27 July 2023)
Mr N G Chattle	
Mr R S Atwal	(Resigned 28 March 2024)
Mrs K N Hopkinson	(Appointed 9 December 2022)

Recruitment and appointment of 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.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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

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

Induction and training of trustees

Induction and training of new Trustees

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

Relationship with related parties

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.

The Trustees are grateful to DGS Foundation for its continued support throughout the year that included the provision of an interest free loan. This loan, to a value of £40,656 ,was cleared on the balance sheet date when it was converted into a contribution towards bursary costs paid by the school.

Auditor

The trustees re-appointed HSKSG Audit as auditors for the school

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees would like to register their thanks and appreciation to all staff for their tireless efforts, desire and willingness to do the very best for our pupils.

The Trustees are once again extremely grateful for the ongoing support of its benefactors, past Governors and former teachers for their indication of and willingness to support The School.

The trustees' report was approved by the Board of Trustees.

Mr J Pugh-Lewis
Trustee

24 May 2024

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2023

The trustees, who are also the directors of Rykneld Hall Education Trust Limited (formerly known as Derby Grammar School Trust Limited) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

Opinion

We have audited the financial statements of Rykneld Hall Education Trust Limited (formerly known as Derby Grammar School Trust Limited) (the 'charity') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Charitable Company's activities and its control environment. We also enquired of management about their identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework in which the Charitable Company operates and identified key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements, which included the Companies Act 2006, tax legislation and payroll legislation; and
- Did not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Company's ability to operate.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how / where fraud might occur in the financial statements.

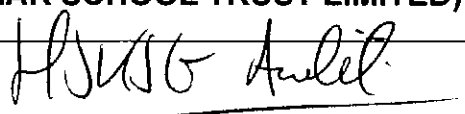
In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of accounting adjustments and journal entries, assessed whether accounting estimates were reasonable and accurate and reviewed the accounting records for any significant and unusual transactions.
In addition, our procedures to respond to the risks identified included:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected variances that may indicate risks of material misstatement due to fraud;
- Enquiring of management about any instances of non-compliance with laws and regulations and any instances of known or suspected fraud; and
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's 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 HSKSG Audit

24 May 2024

Chartered Accountants
Statutory Auditor

18 St Christopher's Way
Pride Park
Derby
DE24 8JY

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	-	-	-	11,582	-	11,582
Charitable activities	4	3,126,766	-	3,126,766	3,179,530	-	3,179,530
Investments	5	30	-	30	30	-	30
Total income		3,126,796	-	3,126,796	3,191,142	-	3,191,142
Expenditure on:							
Charitable activities	6	4,361,092	-	4,361,092	3,236,351	-	3,236,351
Other	11	35,435	-	35,435	32,955	-	32,955
Total expenditure		4,396,527	-	4,396,527	3,269,306	-	3,269,306
Net gains/(losses) on investments	12	22,391	-	22,391	-	-	-
Net outgoing resources		(1,247,340)	-	(1,247,340)	(78,164)	-	(78,164)
Other recognised gains and losses							
Revaluation of tangible fixed assets		(52,610)	-	(52,610)	-	-	-
Net movement in funds		(1,299,950)	-	(1,299,950)	(78,164)	-	(78,164)
Fund balances at 1 August 2022		1,526,988	10,722	1,537,710	1,605,152	10,722	1,615,874
Fund balances at 31 July 2023		227,038	10,722	237,760	1,526,988	10,722	1,537,710

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

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**15**		1,620,284		2,632,138
Investments	**16**		50,728		28,337
			1,671,012		2,660,475
Current assets					
Stocks	**17**	8,994		2,803	
Debtors	**18**	215,595		127,900	
Cash at bank and in hand		216		948	
		224,805		131,651	
Creditors: amounts falling due within one year	**20**	(868,453)		(398,533)	
Net current liabilities			(643,648)		(266,882)
Total assets less current liabilities			1,027,364		2,393,593
Creditors: amounts falling due after more than one year	**21**		(789,604)		(855,883)
Net assets			237,760		1,537,710
Capital funds					
Endowment funds - general	**24**		10,722		10,722
Income funds					
Unrestricted funds					
General unrestricted funds		227,038		1,474,378	
Revaluation reserve		-		52,610	
			227,038		1,526,988
			237,760		1,537,710

The financial statements were approved by the Trustees on 24 May 2024

Mr J Pugh-Lewis
Trustee

Company Registration No. 02739356

RYKNELD HALL EDUCATION TRUST LIMITED (FORMERLY KNOWN AS DERBY GRAMMAR SCHOOL TRUST LIMITED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash absorbed by operations	**29**		(274,720)		(6,326)
Investing activities					
Purchase of tangible fixed assets		(68,192)		(82,233)	
Repayment of investment loans and receivables		(18,664)		-	
Investment income received		30		30	
Net cash used in investing activities			(86,826)		(82,203)
Financing activities					
Repayment of borrowings		(40,656)		(10,823)	
Proceeds of new bank loans		-		750,000	
Repayment of bank loans		(23,534)		(717,899)	
Net cash (used in)/generated from financing activities			(64,190)		21,278
Net decrease in cash and cash equivalents			(425,736)		(67,251)
Cash and cash equivalents at beginning of year			(39,737)		27,514
Cash and cash equivalents at end of year			(465,473)		(39,737)
Relating to:					
Cash at bank and in hand			216		948
Bank overdrafts included in creditors payable within one year			(465,689)		(40,685)

1 Accounting policies

Charity information

Rykneld Hall Education Trust Limited (formerly known as Derby Grammar School Trust Limited) is a private company limited by guarantee incorporated in England and Wales. The registered office is Rykneld Hall, Rykneld Road, Littleover, Derby, Derbyshire, DE23 4BX.

With effect from 28 March 2024 the name of the company was changed from Derby Grammar School Trust Limited to Rykneld Hall Education Trust Limited.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The School has traditionally met its day to day working capital requirements through occasional use of an overdraft facility, being £500,000 in 2023, increased from £450,000 in 2022. Fees are generally paid by parents on a termly basis and as a result there is considerable variation in the levels of cash. At the 31 July 2023 the overdraft balance was £465,689 (2022 - £40,685).

The School also had key benefactors who had signified their willingness to support the school. This has proven not to be required.

Following the sale of the school on 28 March 2024, the bank indebtedness was repaid in full and facilities withdrawn. The company also retained assured minimum reserves of not less than £50,000 that are considered sufficient for it to meet its future financial obligations.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

The endowment fund is in respect of funds for prizes awarded on Speech Day every year. Further explanation of each fund is detailed in note 21.

1 Accounting policies **(Continued)**

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government and other grants are recognised in the Statement of Financial Activities in the period to which they relate when there is a reasonable assurance that the charity will comply with conditions attaching to them and the grants will be received.
School fees receivable represent invoiced fees for education supplied and are recognised in the year to which they relate. School fees recognised are reported net of any scholarships, bursaries or other allowances granted by the charity.

Income from other trading activities, including non-ancillary trading income is recognised as it is earned from any services supplied.

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

1.5 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 reasonably.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, or if held under a finance lease, over the lease term, whichever is the shorter, on the following bases:

Freehold land and buildings	straight line over varying numbers of years
Plant and equipment	at varying rates on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred. Surpluses and deficiencies arising on sale are reflected in the year of disposal.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

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

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial assets

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

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Taxation

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

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The charity participated in a multi employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff until 31 December 2019. 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 charity. Accordingly, under Section 28 of FRS 102 the scheme is accounted for as if it were a defined contributions scheme.

From 1 January 2020 the charity has operated a defined contribution scheme for teaching staff.

The charity also operates a money purchase scheme for non teaching staff.

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

1.15 Foreign exchange

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 the transaction. Exchange differences are taken into account in arriving at the operating result.

1 Accounting policies **(Continued)**

1.16 Concessionary loans

Concessionary loans are initially measured at the amount received or paid.

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

1.17 Debtors

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

1.18 Liabilities

Trade and other creditors are recognised at the settlement amount due after any trade discount received.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	-	10,823
Government grants	-	759
	-	11,582

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Education		
School fees	2,812,854	2,856,748
Registration fees	3,630	2,785
Rents received	10,327	2,970
Other income	141,296	145,182
Welfare		
School fees	128,680	139,657
Support		
Other income	29,979	32,188
	3,126,766	3,179,530

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other investment income	30	30

6 Charitable activities

	Education	Welfare	Premises	Support	Finance	Total 2023	Total 2022
	2023 £	2023 £	2023 £	2023 £	2023 £	£	£
Staff costs	2,051,024	75,085	33,254	194,158	-	2,353,521	2,424,459
Depreciation and impairment	-	-	1,027,436	-	-	1,027,436	77,095
Hire of plant and machinery	-	-	-	23,501	-	23,501	27,840
Rates and refuse collection	-	-	5,728	-	-	5,728	5,115
Insurance	-	-	36,950	-	-	36,950	39,500
Utilities	-	-	108,417	-	-	108,417	116,787
Telephone	-	-	-	4,202	-	4,202	3,510
Postage and stationery	-	-	-	12,354	-	12,354	14,604
Marketing	-	-	-	55,441	-	55,441	67,309
Sundry expenses	871	80	-	29,733	-	30,684	25,015
Motor expenses	3,123	1,682	-	-	-	4,805	5,957
Repairs and maintenance	-	-	87,247	79,161	-	166,408	121,320
Legal and professional fees	-	-	-	100,321	-	100,321	47,108
Bank charges	-	-	-	-	9,867	9,867	4,049
Other school operating costs	141,298	162,448	20,699	85,753	-	410,198	242,711
Bad debts	(475)	-	-	-	-	(475)	-
	2,195,841	239,295	1,319,731	584,624	9,867	4,349,358	3,222,379
Share of governance costs (see note 7)	-	-	544	11,190	-	11,734	13,972
	2,195,841	239,295	1,320,275	595,814	9,867	4,361,092	3,236,351
Analysis by fund							
Unrestricted funds	2,195,841	239,295	1,320,275	595,814	9,867	4,361,092	3,236,351

6 Charitable activities **(Continued)**

For the year ended 31 July 2022

	Education	Welfare	Premises	Support	Finance	Total 2022
	£	£	£	£	£	£
Staff costs	2,066,520	106,472	41,430	210,037	-	2,424,459
Depreciation and impairment	-	-	77,095	-	-	77,095
Hire of plant and machinery	-	-	-	27,840	-	27,840
Rates and refuse collection	-	-	5,115	-	-	5,115
Insurance	-	-	39,500	-	-	39,500
Utilities	-	-	116,787	-	-	116,787
Telephone	-	-	-	3,510	-	3,510
Postage and stationery	-	-	-	14,604	-	14,604
Marketing	-	-	-	67,309	-	67,309
Sundry expenses	-	-	-	25,015	-	25,015
Motor expenses	3,248	2,709	-	-	-	5,957
Repairs and maintenance	-	-	49,089	72,231	-	121,320
Legal and professional fees	-	-	-	47,108	-	47,108
Bank charges	-	-	-	-	4,049	4,049
Other school operating costs	120,470	65,409	15,941	40,891	-	242,711
	2,190,238	174,590	344,957	508,545	4,049	3,222,379
Share of governance costs (see note 7)	-	-	2,452	11,520	-	13,972
	2,190,238	174,590	347,409	520,065	4,049	3,236,351
Analysis by fund						
Unrestricted funds	2,190,238	174,590	347,409	520,065	4,049	3,236,351

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Audit fees	-	8,393	8,393	-	8,640	8,640
Accountancy	-	2,797	2,797	-	2,880	2,880
Insurance	-	544	544	-	2,452	2,452
	-	11,734	11,734	-	13,972	13,972
Analysed between						
Charitable activities	-	11,734	11,734	-	13,972	13,972

8 Net movement in funds

	2023	2022
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,393	8,640
Depreciation of owned tangible fixed assets	69,538	77,095
Impairment of owned tangible fixed assets	957,898	-

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
School	45	47
Catering	4	5
Administration	8	10
Property	6	6
Marketing	2	3
Sports Centre	3	4
Total	68	75

10 Employees **(Continued)**

Employment costs	**2023**	**2022**
	£	**£**
Wages and salaries	1,902,856	1,924,045
Social security costs	223,795	252,733
Other pension costs	226,870	247,681
	2,353,521	2,424,459

The charity participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff until 31 December 2019. The pension charge for the year includes contributions payable to the TPS of £nil (2022 - £nil) and at the year-end £nil (2022 - £nil) 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 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Had the charity not left the scheme on 31 December 2019 this employer rate would have been payable until the outcome of the next actuarial valuation which was due to be prepared as at 31 March 2020, with any resulting changes to the employer rate expected to take effect from 1 April 2023. 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.

In October 2019 the charity commenced a defined contribution scheme with Aviva which became the sole scheme for teaching staff from 1 January 2020. The cost for the year represents the charity's contributions to this scheme of £196,583 (2022 - £210,010).

The school also administers an auto enrolment scheme, The People's Pension, for its non-teaching staff. The cost for the year represents the charity's contributions to the auto enrolment scheme of £9,101 (2022 - £10,494).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	**2022**
	Number	**Number**
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

Pension contributions made in respect of higher paid employees totalled £7,020 (2022 - £6,759).

11 Other

	Unrestricted funds	Unrestricted funds
	2023	2022
Financing costs	35,435	32,955
	35,435	32,955

12 Gains and losses on investments

	Unrestricted funds 2023	**Unrestricted funds 2022**
Gains/(losses) arising on:	**£**	**£**
Revaluation of investments	22,391	-

Details on the revaluation of fixed asset investments are given in note 15.

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Impairments

As detailed in notes 16 and 27, on 28 March 2024 the assets of the school were disposed of at an agreed value.

Given this subsequent disposal, the value of such assets are included in the financial statements at an impaired value.as at 31 July 2023. The resulting impairment losses, which are considered exceptional, are included in the Statement of Financial Activities for the year ended 31 July 2023, within Expenditure on Charitable activities, as follows:

	2023	**2022**
	£	**£**
In respect of:		
Property, plant and equipment	957,898	-

15 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 August 2022	3,100,162	1,234,261	63,830	4,398,253
Additions	-	68,192	-	68,192
Revaluation and impairment	(52,610)	-	-	(52,610)
At 31 July 2023	3,047,552	1,302,453	63,830	4,413,835
Depreciation and impairment				
At 1 August 2022	580,256	1,122,029	63,830	1,766,115
Depreciation charged in the year	21,572	47,966	-	69,538
Impairment losses	855,442	102,456	-	957,898
At 31 July 2023	1,457,270	1,272,451	63,830	2,793,551
Carrying amount				
At 31 July 2023	1,590,282	30,002	-	1,620,284
At 31 July 2022	2,519,906	112,232	-	2,632,138

The school's properties were independently valued on an operating unit basis on 17 March 2022 by Jonathan Barnett BSc (Hons) MRICS of Lambert Smith Hampton at a total valuation of £2,625,000 of which £2,100,000 is attributable to the school and £525,000 to the sports centre. Of these valuations respective amounts of £1,992,157 and £514,680 are attributable to land and buildings with the remaining balances being the net book values of respective plant and equipment assets.

The directors have considered the value of properties as at the balance sheet date, and based on subsequent trading results and sales value of the properties, consider their value to be lower and have accordingly impaired these values by the amounts detailed above.

At 31 July 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,590,282 (2022 - £2,467,296).

All freehold land and buildings were pledged to secure the bank borrowings and the loans from benefactors. This security terminated on 28 March 2024 when the properties were sold.

16 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2022	28,337
Valuation changes	22,391
At 31 July 2023	50,728
Carrying amount	
At 31 July 2023	50,728
At 31 July 2022	28,337

There were no investment assets outside the UK.

The unrestricted fund investments comprise historic assets donated to the charity.

After the year end date the respective items were valued by various professional valuers, including Christies and Sothebys, and based on these valuations an assured value of £50,000 was placed on these assets within the sale agreement for the school that was enacted on 28 March 2024. Based on this valuation the directors deemed this to be a fair value of the assets concerned at the balance sheet date and have accordingly reflected this value in these financial statements with the uplift in value of £22,391 included in the Statement of Financial Activities.

17 Stocks

	2023 £	2022 £
Stocks	8,994	2,803

18 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	55,853	55,245
Other debtors	57,692	30,849
Prepayments and accrued income	102,050	41,806
	215,595	127,900

19 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	465,689	40,685
Bank loans	726,400	749,934
Other loans	34,222	74,878
	1,226,311	865,497
Payable within one year	524,507	98,445
Payable after one year	701,804	767,052
Amounts included above which fall due after five years:		
Payable by instalments	(119,618)	149,421
Payable other than by instalments	(470,825)	470,825
	(590,443)	620,246

There was in place an overdraft facility of £500,000. This facility subsequently ceased in March 2024 following repayment of the overdraft.

Prior to its repayment, this facility carried interest at a variable rate set at 2.25% above the base rate of Barclays Bank Plc.

Barclays Bank held the following security for its loan and overdraft facilities:
- a first legal charge over the charity's buildings and certain property
- a debenture over the charity's other assets
- a first legal charge over Rykneld Sports Centre

A bank loan of £726,400 (2022 - £749,934) was repayable over a period of 10 years in the first instance, repayments having started in April 2022. The bank had the right to ask for immediate repayment of the whole of the loan outstanding if any of the terms and conditions of the loan were breached. As part of the agreement for the sale of the school on 28 March 2024 this loan was repaid in full in March 2024.

The bank loan carried interest at a fixed rate for the initial term set at 4.79%.

Other loans comprise a concessionary loan of £nil (2022 - £40,656) and a benefactor loan of £34,222 (2022 - £34,222).

The concessionary loan advanced to Derby Grammar School Trust Limited by Derby Grammar School Foundation was for the purpose of furthering the objectives of the public benefit entity, was interest free and had no fixed repayment date. The school was relieved of its obligation to repay this loan during the year.

Loans from benefactors totalling £34,222 (2022- £34,222) were also interest free, had no fixed date for repayment. and were secured against freehold land and buildings. This loan has since been repaid in full in March 2024.

20 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	19	490,285	64,223
Other borrowings		34,222	34,222
Other taxation and social security		44,621	46,530
Payments received on account		61,683	63,033
Trade creditors		158,534	96,756
Other creditors		60,977	75,162
Accruals and deferred income		18,131	18,607
		868,453	398,533

21 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	19	701,804	726,396
Other borrowings		-	40,656
Other creditors		87,800	88,831
		789,604	855,883

22 Secured debts

Information about secured debts is given in notes 15 and 19.

23 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	226,870	247,681

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

24 Endowment funds

Endowment funds represent assets held by the charity to fund prizes awarded on Speech Day each year. Further details of each fund are given below.

	At 1 August 2022 £	At 31 July 2023 £
Permanent endowments		
Prize funds	10,722	10,722

24 Endowment funds (Continued)

Previous year:	At 1 August 2021 £	At 31 July 2022 £
Permanent endowments		
Prize funds	10,722	10,722

The Caroline Booth Memorial Prize Funds of £2,196 (2022 - £2,196) 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 of £1,075 (2022 - £1,075) 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 of £2,082 (2022 - £2,082) was established in 2000 by His Grace the Duke of Devonshire to fund a prize for natural sciences.

The Dermot Murray Prize Fund of £2,658 (2022 - £2,658) 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 of £1,216 (2022 - £1,216) 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 of £972 (2022 - £972) was established in 2004 by Mr S Critchell-Ward to fund the Esprit de Corps prize.

The Roger Waller Fund of £523 (2022 - £523) was established in 2008 by a former headmaster to fund a chemistry prize.

25 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 July 2023 £
General funds	1,526,988	3,126,796	(4,396,527)	(30,219)	227,038

Previous year:	At 1 August 2021 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 July 2022 £
General funds	1,605,152	3,191,142	(3,269,306)	-	1,526,988

26 Analysis of net assets between funds

	Unrestricted funds 2023	Endowment funds 2023	Total 2023
	£	£	£
Fund balances at 31 July 2023 are represented by:			
Tangible assets	1,620,284	-	1,620,284
Investments	50,000	728	50,728
Current assets/(liabilities)	(653,642)	9,994	(643,648)
Long term liabilities	(789,604)	-	(789,604)
	227,038	10,722	237,760

	Unrestricted funds 2022	Endowment funds 2022	Total 2022
	£	£	£
Fund balances at 31 July 2022 are represented by:			
Tangible assets	2,632,138	-	2,632,138
Investments	27,609	728	28,337
Current assets/(liabilities)	(276,876)	9,994	(266,882)
Long term liabilities	(855,883)	-	(855,883)
	1,526,988	10,722	1,537,710

27 Events after the reporting date

On 7 March 2024 an agreement was entered into with Inspired Learning Group (UK) Limited whereby they would purchase the business (comprising the assets) as a going concern on the terms and conditions set out in this agreement.

The terms of this agreement were such that:

- the assets of the school were disposed of at a value determined by Lambert Smith Hampton, chartered surveyors
- all bank and other loan indebtedness be repaid on completion
- the purchasers commit funds in excess of £500,000 to invest in the school along with additional necessary funds to open a full-time nursery with wrap-around care
- a guaranteed amount of £50,000 in the form of certain antique assets remains in the charity to ensure its solvency and to finance its future obligations and eventual wind-up. The buyer has also undertaken to provide further funds up to a maximum of £25,000 in respect of this.

The sale of the school on the agreed terms was completed on 28 March 2024.

On 27 March 2024 the name of the company was changed from Derby Grammar School Trust Limited to Rykneld Education Trust Limited.

28 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

As at the balance sheet date amounts owed by (2022- to) the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £18,664 (2022 - £40,656). These loans are interest free and have no fixed date for repayment.

During the year the charity was released from the obligation to repay amounts owed in respect of this loan to a total of £40,656 as referred in Trustees' Report and note 19.

At the year end date the charity owed £34,222 (2022 - £34,222) to former trustees. During the year loans amounting to £nil (2022 - £10,823) were forgiven by these individuals and are reflected in donations and gifts in the statement of financial activities.

Two governors have children who attend the School. No fee discounts or benefits are provided to those families due to their positions on the Board of Trustees.

29 Cash generated from operations

	2023	2022
	£	£
Deficit for the year	(1,247,340)	(78,164)
Adjustments for:		
Investment income recognised in statement of financial activities	(30)	(30)
Fair value gains and losses on investments	(22,391)	-
Depreciation and impairment of tangible fixed assets	1,027,436	77,095
Movements in working capital:		
(Increase) in stocks	(6,191)	(1,418)
(Increase) in debtors	(69,031)	(19,740)
Increase in creditors	42,627	15,931
Cash absorbed by operations	(274,720)	(6,326)

30 Analysis of changes in net (debt)/funds

	At 1 August 2022	Cash flows	Other non-cash changes	At 31 July 2023
	£	£	£	£
Cash at bank and in hand	948	(732)	-	216
Bank overdrafts	(40,685)	(425,004)	-	(465,689)
	(39,737)	(425,736)	-	(465,473)
Loans falling due within one year	(57,760)	23,534	(24,592)	(58,818)
Loans falling due after more than one year	(767,052)	40,656	24,592	(701,804)
	(864,549)	(361,546)	-	(1,226,095)

Rykneld Hall Education Trust Limited

England & Wales - Charity number 1015449

Accounts

Charity registration number 1015449

Company registration number 02739356 (England and Wales)

DERBY GRAMMAR SCHOOL TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

DERBY GRAMMAR SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees, directors and governors	Mr A Gentles Mr J Pugh-Lewis Mrs M Viles Mr I Louch Mrs D M Cadman Mrs N K Virk
Secretary	Mrs C Cook
Charity number	1015449
Company number	02739356
Registered office and business address	Rykneld Hall Rykneld Road Littleover Derby DE23 4BX
Auditor	HSKSG Audit 18 St Christopher's Way Pride Park Derby DE24 8JY
Bankers	Barclays Bank PLC Derby
Solicitors	Flint Bishop LLP
Patron	Sir Nigel Rudd
Head	Mr P Logan

DERBY GRAMMAR SCHOOL TRUST LIMITED

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DERBY GRAMMAR SCHOOL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2022

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2019).

Since the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies, is not required.

Objectives and activities

The charity's principal objective 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 experience, 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 well-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 and girls 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.

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 academic curriculum, with the aim that by the time pupils leave the school, they will be confident, articulate, self-assured and well prepared for life after school.

Inspiring a passion for learning that remains with pupils throughout their lives is central to our values and our motto embodies this - 'vita sine litteris mors'; it translates as 'life without learning is death'. Three principles lie at our core: excellence, enrichment and encouragement. We provide superb teaching, incredible opportunities and a supportive, friendly atmosphere. These are the things that make us special. They are the reasons our pupils come into school every day with a smile, eager to learn and expand their minds.

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 and bursaries, the level of which will be means tested, will be made available for this purpose.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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.

Achievements and performance
Curriculum
The National Curriculum provides the basis for our Primary 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 pupils' 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 pupils 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. The Extended Project Qualification can also be pursued by pupils in the Sixth Form.

GCSE Subject Headlines
History – 100% grade 7-9
Combined Science – 100% grade 7-9
Music – 100% grade 7-9

GCSE Pupil headlines
Two top scoring candidates achieved 9 grade 9's.
Six further candidates achieved all grades 7-9.

A Level Trends
In Summer 2022, public examinations went ahead as expected after two years of significant disruption due to Covid-19. Results were above those achieved by the school in 2019, exceeding expectations following Ofqual and Department for Education guidance.

Percentage of A*-A grades: 45%
Percentage of A*-B grades: 72%

A Level Pupil Headlines
5 pupils achieved three A* grades
3 pupils achieved 3 or more A-A* grades

A Level Subject Headlines
English Literature, German - 100% A*

The House System
Inter-house competitions have been largely reinstated after Covid lockdown, involving all pupils in sports, curricular and co-curricular activities. Sporting House Competitions during 2021/22 included football, rugby, cross-country running, tug-of-war, hockey, cricket and athletics. In addition, there have been House Competitions in art, music, debating, chess and writing. There are a few other traditional competitions to reintroduce post covid, for example House drama and there is debate about introducing some new competitions.

Music and Co-curricular
Weekly co-curricular opportunities across the school have returned to pre-covid levels. For the Primary School clubs (excluding music and sport) included:- Street Dance, Three Bears Cookery Club, Soccer Stars UK, Monday Morning Mile, Fiction Library, Art and Craft, Lego Club, Junior School Magazine, Authorfy and Gardening Club.

Forest School (NB the School has official accreditation) is embedded in the Primary School as part of the curriculum, but is offered as an after school co-curriculum activity to Senior School pupils.

Senior School clubs for 2021-22 (excluding music and sports) include:- Foreign Languages Film Club, Arts and Crafts Club, iDEA (Inspiring Digital Enterprise Award), Year 7 Film Club, Senior Forest School, Senior Chess Club, Y7-9 Science Club, Magic Club, Table Tops Games Club, Warhammer, Psychology Club, Archery and Code Club. The School's Formula 24 racing team won national competitions during summer 2022.

Music continues to be a strength of Derby Grammar School. Choirs, bands and jazz ensembles rehearse weekly and perform at concerts the School, city and county. Significant numbers of pupils are members of Hot House and rehearse in School on several evening each week and pupils also play with the County Youth Orchestra.

The Duke of Edinburgh Award programme has engaged large numbers of pupils. All pupils in Year 9 and 10 took part in Bronze expeditions in Summer 2022. There has also been notable success at Silver and Gold level with a record breaking number of pupils attending a Gold Award Ceremony at Buckingham Palace during summer 2022.

Pupils have continued to enjoy success in regional and national competitions, including the UK Mathematics Challenge at all levels. The Formula 24 team has raced at Goodwood, Aintree and Castle Combe.

Co-curricular trips during Activities Week in summer 2022 saw pupils in Years 7-12 sailing, canoeing and climbing and at the start of the autumn term Year 7 enjoyed an outdoor education residential at Whitemoor Lakes,

Speech and Drama
Speech and Drama lessons remain a popular peripatetic lesson choice, with over 40 pupils participating from Years 3 to 13. LAMDA exams are taken in house at the end of each term

Charitable support
Tanzania
Our partnership with Gedeli B (Ibeshi) School in Mwanza, Tanzania and orphanages in the vicinity is now in its 10th year. We continue to raise money for the project in school (over £2000 in this year's School Charities Week). Due to the impact of COVID pupils have been unable to visit Tanzania since 2019, but a party of pupils are visiting during summer 2023.

YMCA
Our Harvest Festival and Christmas Shoebox appeals provided food, provisions, toiletries and gifts for homeless young people in the Derby area. Donations for the October 2021 Harvest Festival exceeded all previous years, despite the pandemic.

During 2021 the school has also raised money for Children in Need.

Sport
Sport continues to be a very popular subject and plays a vital role in the life of all Derby Grammar School pupils. The School benefits from having a well qualified and experienced Sports Department of specialist PE teachers, delivering high quality PE and Games lessons to pupils across the whole School. This provision is continued within the co-curricular offer and ensures pupils receive excellent input from specialist physical educators at all times.

Pupils participate in regular inter-school matches against other schools and have frequent opportunities for school representation in a competitive environment. The School has a well developed sports scholarship programme that provides pupils with an off field sporting education where pupils have access to leading experts from the Derbyshire Institute of Sport covering a wide range of sports performance topics such as nutrition, strength and conditioning, sports psychology, sleep, injury and prevention. This both attracts and retains gifted and talented pupils to the school.

The Schools core sports provision of rugby, hockey and cricket is offered termly and provides pupils with the opportunity to represent the School within a well balanced, competitive and enjoyable set of sports fixtures throughout the year. The School is well resourced in terms of practice and playing facilities, both on site and at its sports facility at Rykneld Sports Centre.

In addition to the core sports provision, the School offers its pupils the opportunity to explore and develop their personal, physical, social and moral qualities across a wide variety of sporting activities, at various key stages, including; health related fitness, basketball, short tennis, badminton, swimming, gymnastics, dance, invasion games, ball skills, football, table tennis, striking and fielding, and athletics.

School Trips
Our commitment to trips and visits to enrich pupils' education continues to be important. During 2022 Primary School visits have included Year 6 to Hollowford Centre for outdoor education, Year 3 and 4 to Derby Cathedral, Bikability Week for various Year groups and Activities Week visits to Cadbury's World and the Sea Life Centre in Birmingham. In the Senior School the priority has been to support academic studies with GCSE Geography fieldwork at Cannock Chase and in Stafford and A Level Geography field work in Cheshire. History fieldwork has seen GCSE pupils visit Hadrian's Wall and A Level Psychology pupils have spent time in Shrewsbury Prison.

Rykneld Sports Centre
At Rykneld Sports Centre investment in new gym facilities has benefited the pupils. The astro turf is swept on a regular basis and is annually 'refreshed', with the addition of sand to the base. This has not only benefited our pupils but also improved school-club links have resulted in external clubs now using the facility as an additional venue for their senior and junior hockey teams.

Financial review

Business Review
This was a challenging year for the sector in general, as families and schools emerged from the period impacted by the Global Pandemic.

The focus of our attention has continued to be the quality of educational provision alongside strong pastoral care as we have seen the impact of the Pandemic on our pupils' learning and welfare. The Trustees were therefore particularly pleased to see another strong year for both GCSE and A-Level exam results, which is a huge credit to the pupils, families and staff, who have maintained extremely high levels of achievement.

The School moved from a surplus in 2021 to break even (before the annual depreciation charge) in 2022, with a lower level of donations and gifts recognised in the year compared to the previous year. The underlying performance of the School in the academic year remained solid, with higher pupil numbers. The School was able to invest in upgrading the Science block facilities and opening a gym at the sports centre, both of which have benefited the pupils greatly.

Reserves Policy
The balance sheet presents the assets and liabilities of the various funds by type. Note 22 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 terms' 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.

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. 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.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

In the Trustees' 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 continues to be placed as one of the top performing schools in the East Midlands. 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 and pupils remains a key priority. Significant investment in the School's protective measures has been made recently to ensure high levels of compliance during the COVID-19 pandemic. This has included enhanced cleaning regimes and the implementation of the government-advised system of controls.

To ensure any risks are considered and addressed the School has appropriate risk assessments, policies and procedures in place. Staff undertake appropriate and regular training with accredited training providers. Consultation is sought where necessary from external expert agencies, particularly with regards to Health and Safety and safeguarding training.

The Board of Governors is a member of AGBIS which gives expert advice and training to ensure the Governors are suitably trained to oversee the School in this regard. There are sufficient members of the Board to specialise in their sub-committee structure.

Plans for future periods

With the recent opening of provision for Reception, Year 1 and Year 2 and the Primary School going fully co-educational in September 2022 and the trustees are embarking upon an ambitious phase of growth. Links with local nurseries, pre-schools and Primaries are being reinstated, with community events planned for 2023, including stay and play and forest school events.

The school has expanded its sports provision through the opening of a gym and weights room. This is open to the public and offered free to staff at certain times to enhance well-being. Additions to the programme of girls' games have been well received, and we are looking to embed and develop this further as the school attracts increasing numbers of girls into the fully co-educational School.

The trustees are seeking to further develop the IT facilities and infrastructure of the School. Investment has been made in in-class technology, purchasing the latest SMART interactive white boards for a number of subject areas, with more or better alternatives to be installed in 2023. As a Google Education Suite School, more Chromebooks have been bought to enable further IT-based learning, independent learning and research skills to be developed. In addition, a new rolling programme of external and internal redecoration has begun.

Having rolled out a successful online learning programme for pupils during the COVID pandemic, investment has been made in new hardware, such as in-class webcams and visualisers, new educational software, staff training and virtual educational platforms such as Microsoft Teams, to enhance this provision. Any future necessity of online education is therefore fully resourced.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs S Flear (Resigned 22 April 2022)
Mr A Gentles
Mr J Pugh-Lewis
Mrs M Viles
Mr I Louch
Mrs D M Cadman
Mrs N K Virk

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.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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

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 and AGBIS.

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 £41k remains as an interest free loan to the school with no fixed date for repayment.

The Trustees are grateful to DGS Foundation for its continuing support.

Auditor
Since the financial year end, the School appointed HSKSG Audit, being the successor firm to HSKS Greenhalgh, the previous auditor. A resolution to reappoint HSKSG Audit will be proposed at the forthcoming Annual General Meeting in accordance with the School's articles.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees would like to register their thanks and appreciation to all staff for their tireless efforts, desire and willingness to do the very best for our pupils.

The Trustees are once again extremely grateful for the ongoing support of its benefactors, past Governors and former teachers for their indication of and willingness to support The School.

The trustees' report was approved by the Board of Trustees.

.....

Mr A Gentles

Trustee

Date: 30/5/23

DERBY GRAMMAR SCHOOL TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2022

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

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

DERBY GRAMMAR SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DERBY GRAMMAR SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Derby Grammar School Trust Limited (the 'charity') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Charitable Company's activities and its control environment. We also enquired of management about their identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework in which the Charitable Company operates and identified key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements, which included the Companies Act 2006, tax legislation and payroll legislation; and
- Did not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Company's ability to operate.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how / where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of accounting adjustments and journal entries, assessed whether accounting estimates were reasonable and accurate and reviewed the accounting records for any significant and unusual transactions.
In addition, our procedures to respond to the risks identified included:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected variances that may indicate risks of material misstatement due to fraud;
- Enquiring of management about any instances of non-compliance with laws and regulations and any instances of known or suspected fraud; and
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's 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.

HSKSG Audit

Philip Handley FCA (Senior Statutory Auditor)
for and on behalf of HSKSG Audit

30TH MAY 2023

Chartered Accountants
Statutory Auditor

18 St Christopher's Way
Pride Park
Derby
DE24 8JY

DERBY GRAMMAR SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	11,582	-	11,582	244,048	-	244,048
Charitable activities	4	3,179,530	-	3,179,530	2,821,194	-	2,821,194
Investments	5	30	-	30	715	-	715
Total income		3,191,142	-	3,191,142	3,065,957	-	3,065,957
Expenditure on:							
Charitable activities	6	3,236,351	-	3,236,351	2,933,047	-	2,933,047
Other	10	32,955	-	32,955	19,410	-	19,410
Total expenditure		3,269,306	-	3,269,306	2,952,457	-	2,952,457
Net (outgoing)/incoming resources		(78,164)	-	(78,164)	113,500	-	113,500
Other recognised gains and losses							
Revaluation of tangible fixed assets		-	-	-	52,610	-	52,610
Net movement in funds		(78,164)	-	(78,164)	166,110	-	166,110
Fund balances at 1 August 2021		1,605,152	10,722	1,615,874	1,439,042	10,722	1,449,764
Fund balances at 31 July 2022		1,526,988	10,722	1,537,710	1,605,152	10,722	1,615,874

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

EBITDA reconciliation - for information

	2022 £	2021 £
Net (outgoing)/incoming resources	(78,164)	113,500
Interest charges	32,955	19,410
Depreciation and impairment	77,096	19,854
Earnings before interest and depreciation	31,887	152,764

DERBY GRAMMAR SCHOOL TRUST LIMITED

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**13**		2,632,138		2,627,000
Investments	**14**		28,337		28,337
			2,660,475		2,655,337
Current assets					
Stocks	**15**	2,803		1,385	
Debtors	**16**	127,900		108,160	
Cash at bank and in hand		948		27,514	
		131,651		137,059	
Creditors: amounts falling due within one year	**18**	(398,533)		(1,026,666)	
Net current liabilities			(266,882)		(889,607)
Total assets less current liabilities			2,393,593		1,765,730
Creditors: amounts falling due after more than one year	**19**		(855,883)		(149,856)
Net assets			1,537,710		1,615,874
Capital funds					
Endowment funds - general	**21**		10,722		10,722
Income funds					
Unrestricted funds					
General unrestricted funds		1,474,378		1,552,542	
Revaluation reserve		52,610		52,610	
			1,526,988		1,605,152
			1,537,710		1,615,874

The financial statements were approved by the Trustees on 30/5/23

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Mr A Gentles

Trustee

Company Registration No. 02739356

DERBY GRAMMAR SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(6,326)		40,872
Investing activities					
Purchase of tangible fixed assets		(82,233)		(200,332)	
Investment income received		30		715	
Net cash used in investing activities			(82,203)		(199,617)
Financing activities					
Repayment of borrowings		(10,823)		-	
Proceeds of new bank loans		750,000		-	
Repayment of bank loans		(717,899)		(8,723)	
Payment of obligations under finance leases		-		(1,173)	
Net cash generated from/(used in) financing activities			21,278		(9,896)
Net decrease in cash and cash equivalents			(67,251)		(168,641)
Cash and cash equivalents at beginning of year			27,514		196,155
Cash and cash equivalents at end of year			(39,737)		27,514
Relating to:					
Cash at bank and in hand			948		27,514
Bank overdrafts included in creditors payable within one year			(40,685)		-

1 Accounting policies

Charity information

Derby Grammar School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Rykneld Hall, Rykneld Road, Littleover, Derby, Derbyshire, DE23 4BX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The School has traditionally met its day to day working capital requirements through occasional use of an overdraft facility, being £500,000 in 2021, reducing to £450,000 in 2022 with the school's bankers recently confirming an increase back to £500,000 if required. Fees are generally paid by parents on a termly basis and as a result there is considerable variation in the levels of cash. At the 31 July 2022 the overdraft balance was £40,685.

The School has prepared cash flow forecasts for the period to 31 July 2024 which indicate operating within the bank facility. The School continues to closely monitor its finances.

As at 31 July 2022 the School had net assets of over £1.5m which have decreased on the prior year. The Board of Trustees acknowledges that net current liabilities are £267k at the balance sheet date, having reduced from £890k as at 31 July 2021, following the successful renegotiation of bank loan facilities during the year, as detailed in note 17.

The School also has key benefactors who have signified their willingness to continue to support the School, although there is no expectation that this will be required based on forecast information.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

The endowment fund is in respect of funds for prizes awarded on Speech Day every year. Further explanation of each fund is detailed in note 21.

1 Accounting policies **(Continued)**

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government and other grants are recognised in the Statement of Financial Activities in the period to which they relate when there is a reasonable assurance that the charity will comply with conditions attaching to them and the grants will be received.
School fees receivable represent invoiced fees for education supplied and are recognised in the year to which they relate. School fees recognised are reported net of any scholarships, bursaries or other allowances granted by the charity.

Income from other trading activities, including non-ancillary trading income is recognised as it is earned from any services supplied.

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

1.5 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 reasonably.

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, or if held under a finance lease, over the lease term, whichever is the shorter, on the following bases:

Freehold land and buildings	straight line over varying numbers of years
Plant and equipment	at varying rates on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

The charity has adopted the revaluation model for properties where fair value can be measured reliably. The fair value of land and buildings is usually determined from market based evidence by appraisal that is normally undertaken by qualified valuers. revaluation gains and losses are recognised in other statement of Financial Activities and accumulated funds.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred. Surpluses and deficiencies arising on sale are reflected in the year of disposal.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

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

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial assets

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

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Taxation

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

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The charity participated in a multi employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff until 31 December 2019. 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 charity. Accordingly, under Section 28 of FRS 102 the scheme is accounted for as if it were a defined contributions scheme.

From 1 January 2020 the charity has operated a defined contribution scheme for teaching staff.

The charity also operates a money purchase scheme for non teaching staff.

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

1.15 Foreign exchange

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 the transaction. Exchange differences are taken into account in arriving at the operating result.

1 Accounting policies **(Continued)**

1.16 Concessionary loans

Concessionary loans are initially measured at the amount received or paid.

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

1.17 Debtors

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	**2021**
	£	**£**
Donations and gifts	10,823	217,358
Government grants	759	26,500
Gift aid	-	190
	11,582	244,048

Further details on amounts included within donations and gifts are given in note 12.

4 Charitable activities

	Education 2022	Welfare 2022	Support 2022	Total 2022	Education 2021	Welfare 2021	Support 2021	Total 2021
	£	£	£	£	£	£	£	£
School fees	2,856,748	139,657	-	2,996,405	2,555,969	103,101	-	2,659,070
Registration fees	2,785	-	-	2,785	4,841	-	-	4,841
Performance related grants	-	-	-	-	118,972	-	-	118,972
Rents received	2,970	-	-	2,970	6,721	-	-	6,721
Other income	145,182	-	32,188	177,370	12,272	-	19,318	31,590
	3,007,685	139,657	32,188	3,179,530	2,698,775	103,101	19,318	2,821,194

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other investment income	30	715

6 Charitable activities

	Education	Welfare	Premises	Support	Finance	Total 2022	Total 2021
	2022 £	2022 £	2022 £	2022 £	2022 £	£	£
Staff costs	2,066,520	106,472	41,430	210,037	-	2,424,459	2,257,545
Depreciation and impairment	-	-	77,096	-	-	77,096	19,854
Hire of plant and machinery	-	-	-	27,840	-	27,840	22,519
Rates and refuse collection	-	-	5,115	-	-	5,115	26,971
Insurance	-	-	39,500	-	-	39,500	35,505
Utilities	-	-	116,787	-	-	116,787	63,248
Telephone	-	-	-	3,510	-	3,510	3,917
Postage and stationery	-	-	-	14,604	-	14,604	7,089
Marketing	-	-	-	67,309	-	67,309	51,475
Sundry expenses	-	-	-	25,015	-	25,015	31,130
Motor expenses	3,248	2,709	-	-	-	5,957	8,588
Repairs and maintenance	-	-	49,089	72,231	-	121,320	139,636
Legal and professional fees	-	-	-	47,108	-	47,108	56,976
Bank charges	-	-	-	-	4,049	4,049	5,308
Other school operating costs	120,469	65,409	15,941	40,891	-	242,710	175,493
Bad debts	-	-	-	-	-	-	13,658
	2,190,237	174,590	344,958	508,545	4,049	3,222,379	2,918,912
Share of governance costs (see note 7)	-	-	2,452	11,520	-	13,972	14,135
	2,190,237	174,590	347,410	520,065	4,049	3,236,351	2,933,047
Analysis by fund							
Unrestricted funds	2,190,237	174,590	347,410	520,065	4,049	3,236,351	2,933,047

6 **Charitable activities** **(Continued)**

For the year ended 31 July 2021

	Education	Welfare	Premises	Support	Finance	Total 2021
	£	£	£	£	£	£
Staff costs	1,912,744	99,418	35,896	209,487	-	2,257,545
Depreciation and impairment	-	-	(49,023)	68,877	-	19,854
Hire of plant and machinery	-	-	-	22,519	-	22,519
Rates and refuse collection	-	-	26,971	-	-	26,971
Insurance	-	-	35,505	-	-	35,505
Utilities	-	-	63,248	-	-	63,248
Telephone	-	-	-	3,917	-	3,917
Postage and stationery	-	-	-	7,089	-	7,089
Marketing	-	-	-	51,475	-	51,475
Sundry expenses	501	-	-	30,629	-	31,130
Motor expenses	6,392	2,196	-	-	-	8,588
Repairs and maintenance	-	(85)	66,286	73,435	-	139,636
Legal and professional fees	-	-	-	56,976	-	56,976
Bank charges	-	-	-	-	5,308	5,308
Other school operating costs	89,303	46,313	15,729	24,148	-	175,493
Bad debts	13,658	-	-	-	-	13,658
	2,022,598	147,842	194,612	548,552	5,308	2,918,912
Share of governance costs (see note 7)	-	-	2,485	11,650	-	14,135
	2,022,598	147,842	197,097	560,202	5,308	2,933,047
Analysis by fund						
Unrestricted funds	2,022,598	147,842	197,097	560,202	5,308	2,933,047

7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Audit fees	-	8,640	8,640	-	8,720	8,720
Accountancy	-	2,880	2,880	-	2,930	2,930
Insurance	-	2,452	2,452	-	2,485	2,485
	-	13,972	13,972	-	14,135	14,135
Analysed between						
Charitable activities	-	13,972	13,972	-	14,135	14,135

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
School	47	48
Catering	5	6
Administration	10	8
Property	6	8
Marketing	3	1
Sports Centre	4	3
Total	75	74

Employment costs	2022 £	2021 £
Wages and salaries	1,924,045	1,752,441
Social security costs	252,733	226,758
Other pension costs	247,681	278,346
	2,424,459	2,257,545

9 Employees (Continued)

The charity participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff until 31 December 2019. The pension charge for the year includes contributions payable to the TPS of £nil (2021 - £518) and at the year-end £nil (2021- £nil) 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 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Had the charity not left the scheme on 31 December 2019 this employer rate would have been payable until the outcome of the next actuarial valuation which was due to be prepared as at 31 March 2020, with any resulting changes to the employer rate expected to take effect from 1 April 2023. 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.

In October 2019 the charity commenced a defined contribution scheme with Aviva which became the sole scheme for teaching staff from 1 January 2020. The cost for the year represents the charity's contributions to this scheme of £210,010 (2021- £231,652).

The school also administers an auto enrolment scheme, The People's Pension, for its non-teaching staff. The cost for the year represents the charity's contributions to the auto enrolment scheme of £10,494 (2021- £19,889).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£70,001 - £80,000	1	1

Pension contributions made in respect of higher paid employees totalled £6,759 (2021- £15,260).

10 Other

	Unrestricted funds 2022	Unrestricted funds 2021
Financing costs	32,955	19,410
	32,955	19,410

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Exceptional items

Within donations and gifts receivable of £10,823 (2021- £217,358) is an amount of £206,848 relating to the prior year, regarding donations from a related charity, Derby Grammar School Foundation. This donation was effected on 9 July 2021 via the release from an obligation to repay loan funding received in previous years. Further details relating to this related charity are shown in note 23.

13 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 August 2021	3,050,966	1,201,224	63,830	4,316,020
Additions	49,196	33,037	-	82,233
At 31 July 2022	3,100,162	1,234,261	63,830	4,398,253
Depreciation and impairment				
At 1 August 2021	544,129	1,083,061	61,830	1,689,020
Depreciation charged in the year	36,127	38,968	2,000	77,095
At 31 July 2022	580,256	1,122,029	63,830	1,766,115
Carrying amount				
At 31 July 2022	2,519,906	112,232	-	2,632,138
At 31 July 2021	2,506,837	118,163	2,000	2,627,000

The school's properties were independently valued on an operating unit basis on 17 March 2022 by Jonathan Barnett BSc (Hons) MRICS of Lambert Smith Hampton at a total valuation of £2,625,000 of which £2,100,000 is attributable to the school and £525,000 to the sports centre. Of these valuations respective amounts of £1,992,157 and £514,680 are attributable to land and buildings with the remaining balances being the net book values of respective plant and equipment assets.

Although these valuations were carried out in March 2022 the trustees' are of the opinion that the values provided are a fair valuation of these assets as at the balance sheet date.

At 31 July 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,464,237 (2021 - £2,454,227).

All freehold land and buildings have been pledged to secure the bank borrowings of the charity.

14 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2021 & 31 July 2022	28,337
Carrying amount	
At 31 July 2022	28,337
At 31 July 2021	28,337

There were no investment assets outside the UK.

The unrestricted fund investments comprise historic assets donated to the charity.

15 Stocks

	2022 £	2021 £
Stocks	2,803	1,385

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	55,245	40,943
Other debtors	30,849	12,571
Prepayments and accrued income	41,806	54,646
	127,900	108,160

17 Loans and overdrafts

	2022	2021
	£	£
Bank overdrafts	40,685	-
Bank loans	749,934	717,833
Other loans	74,878	85,701
	865,497	803,534
Payable within one year	98,445	762,878
Payable after one year	767,052	40,656
Amounts included above which fall due after five years:		
Payable by instalments	149,421	-
Payable other than by instalments	470,825	-
	620,246	-

There is in place an overdraft facility of £450,000.

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

Barclays Bank holds the following security for its loan and overdraft facilities:
- a first legal charge over the charity's buildings and certain property
- a debenture over the charity's other assets
- a first legal charge over Rykneld Sports Centre

A bank loan of £749,934 is repayable over a period of 10 years in the first instance, repayments having started in April 2022. The bank has 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 bank loan carries interest at a fixed rate for the initial term set at 4.79%.

Other loans comprise a concessionary loan of £40,656 (2021- £40,656) and a benefactor loan of £34,222 (2021- £45,045).

The concessionary loan advanced to Derby Grammar School Trust Limited by Derby Grammar School Foundation was for the purpose of furthering the objectives of the public benefit entity, is interest free and has no fixed repayment date.

Loans from benefactors totalling £34,222 (2021- £45,045) are also interest free, and have have no fixed date for repayment.

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	64,223	717,833
Other borrowings		34,222	45,045
Other taxation and social security		46,530	42,021
Payments received on account		63,033	52,301
Trade creditors		96,756	81,184
Other creditors		75,162	59,665
Accruals and deferred income		18,607	28,617
		398,533	1,026,666

19 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	17	726,396	-
Other borrowings		40,656	40,656
Other creditors		88,831	109,200
		855,883	149,856

20 Secured debts

Information about secured debts is given in notes 13 and 17.

21 Endowment funds

Endowment funds represent assets held by the charity to fund prizes awarded on Speech Day each year. Further details of each fund are given below.

	Balance at 1 August 2020	Movement in funds Incoming resources	Balance at 1 August 2021	Movement in funds Incoming resources	Balance at 31 July 2022
	£	£	£	£	£
Permanent endowments					
Prize funds	10,722	-	10,722	-	10,722
	10,722	-	10,722	-	10,722

The Caroline Booth Memorial Prize Funds of £2,196 (2021- £2,196) 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 of £1,075 (2021- £1,075) 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 of £2,082 (2021- £2,082) was established in 2000 by His Grace the Duke of Devonshire to fund a prize for natural sciences.

The Dermot Murray Prize Fund of £2,658 (2021- £2,658) 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 of £1,216 (2021- £1,216) 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 of £972 (2021- £972) was established in 2004 by Mr S Critchell-Ward to fund the Esprit de Corps prize.

The Roger Waller Fund of £523 (2021- £523) was established in 2008 by a former headmaster to fund a chemistry prize.

22 Analysis of net assets between funds

	Unrestricted funds 2022	Endowment funds 2022	Total 2022	Unrestricted funds 2021	Endowment funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 July 2022 are represented by:						
Tangible assets	2,632,138	-	2,632,138	2,627,000	-	2,627,000
Investments	27,609	728	28,337	27,609	728	28,337
Current assets/(liabilities)	(276,876)	9,994	(266,882)	(941,897)	9,994	(889,607)
Long term liabilities	(855,883)	-	(855,883)	(107,560)	-	(149,856)
	1,526,988	10,722	1,537,710	1,605,152	10,722	1,615,874

23 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

As at the balance sheet date amounts owed to the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £40,656 (2021- £40,656).

In the prior year the charity was released from the obligation to repay loans to a total of £206,848 as referred in note 12.

At the year end the charity owed £34,222 (2021- £45,045) to former trustees. During the year loans amounting to £10,823 (2021- £10,270) were forgiven by these individuals and are reflected in donations and gifts in the statement of financial activities.

Two governors have children who attend the School. No fee discounts or benefits are provided to those families due to their positions on the Board of Trustees.

24 Cash generated from operations

	2022 £	2021 £
(Deficit)/surpus for the year	(78,164)	113,500
Adjustments for:		
Investment income recognised in statement of financial activities	(30)	(715)
Depreciation and impairment of tangible fixed assets	77,095	19,854
Movements in working capital:		
(Increase)/decrease in stocks	(1,418)	1,425
(Increase)/decrease in debtors	(19,740)	35,703
Increase/(decrease) in creditors	15,931	(128,895)
Cash (absorbed by)/generated from operations	(6,326)	40,872

25 Analysis of changes in net (debt)/funds

	At 1 August 2021	Cash flows	Other non-cash changes	At 31 July 2022
	£	£	£	£
Cash at bank and in hand	27,514	(26,566)	-	948
Bank overdrafts	-	(40,685)	-	(40,685)
	27,514	(67,251)	-	(39,737)
Loans falling due within one year	(762,878)	1,408,743	(703,625)	(57,760)
Loans falling due after more than one year	(40,656)	(1,648,779)	922,383	(767,052)
	(776,020)	(307,287)	218,758	(864,549)

Document Activity Report

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Rykneld Hall Education Trust Limited

England & Wales - Charity number 1015449

Accounts

Charity registration number 1015449

Company registration number 02739356 (England and Wales)

DERBY GRAMMAR SCHOOL TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

DERBY GRAMMAR SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees, directors and governors	Mr A Gentles Mr J Pugh-lewis Mrs M Viles Mr I Louch Mrs D M Cadman Mrs N K Virk
Secretary	Mrs C Cook
Charity number	1015449
Company number	02739356
Registered office and business address	Rykneld Hall Rykneld Road Littleover Derby Derbyshire DE23 4BX
Auditor	HSKS Greenhalgh 18 St Christopher's Way Pride Park Derby DE24 8JY
Bankers	Barclays Bank PLC Derby
Solicitors	Flint Bishop LLP
Patron	Sir Nigel Rudd
Head	Mr P Logan

DERBY GRAMMAR SCHOOL TRUST LIMITED

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DERBY GRAMMAR SCHOOL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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 2019).

Since the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies, is not required.

Objectives and activities

The charity's principal objective 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 experience, 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 well-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 4 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.

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 academic curriculum, with the aim that by the time pupils leave the school, they will be confident, articulate, self-assured and well prepared for life after school.

Inspiring a passion for learning that remains with pupils throughout their lives is central to our values and our motto embodies this - 'vita sine litteris mors'; it translates as 'life without learning is death'. Three principles lie at our core: excellence, enrichment and encouragement. We provide superb teaching, incredible opportunities and a supportive, friendly atmosphere. These are the things that make us special. They are the reasons our pupils come into school every day with a smile, eager to learn and expand their minds.

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.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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.

Achievements and performance
Curriculum
The National Curriculum provides the basis for our Primary 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. The Extended Project Qualification can also be pursued by pupils in the Sixth Form.

Context to 2021 examination results
The 2021 series of GCSE and A Level examinations had been cancelled in response to the COVID 19 outbreak. Teacher Assessed Grades (TAGs) in each subject replaced the summer examinations. The grades referred to in this report are a result of the school submitted TAGs being awarded by Ofqual as the final GCSE and A Level grade for all pupils.

The TAG process required subject teachers to use existing assessment data for all pupils with the available historical performances for each subject to arrive at TAG for each pupil.

GCSE Subject Headlines
Music – 100% grade 9
History – 100% grade 7-9
Computer Science – 100% grade 7-9
Design & Technology – 75% grade 7-9
English Literature – 75% grade 7-9
Chemistry – 73% grade 7-9
Geography – 73% grade 7-9

GCSE Pupil headlines
Three top scoring candidates achieved 9 grade 9's.
Two further candidates achieved all grades 7-9.

A Level Trends
An increase in A* grades in Summer 2021 compared with Summer 2020, from 15% to 26%
An increase in A*-A percentage in Summer 2021 compared to Summer 2020, from 36% to 54%
An increase in A*-B percentage in Summer 2021 compared to Summer 2020, from 68% to 82%

Value-added analysis showed significant positive value-added at A Level.

A Level Pupil Headlines
3 pupils achieved three A* grades
6 pupils achieved 3 or more A-A* grades

41% of pupils with university destinations gained places at Russell Group universities

A Level Subject Headlines
Music, Music Technology, Religious Studies, German - 100% A*

The House System
Inter-house competitions have largely been reinstated after Covid lockdown, involving all pupils in sports, curricular and co-curricular activities. Sporting House Competitions during 2020/21 and on into 2021/22 have included football, rugby, cross-country running, tug-of-war, cricket and athletics. In addition, there have been House Competitions in art, chess and writing. A few other competitions remain difficult to organise, for example House music and drama, but the aim is to reinstate these during spring and summer 2022. During summer term 2021 the annual school play was completed and viewable online, having been in production since autumn 2020. A modern comedy adaption of Chaucer's 'Knight's Tale' (written by Karen Watson Head of English) was filmed, scene by scene with pupils appropriately bubbled and socially distanced throughout.

Music and Co-curricular
Weekly co-curricular opportunities across the school have increased since September 2020. For the Primary School clubs (excluding music and sport) include:- Street Dance, Three Bears Cookery Club, Soccer Stars UK, Monday Morning Mile, Fiction Library, Art and Craft, Science Club, Junior School Magazine, Authorfy, Go Noodle and Gardening Club.

Senior School clubs for 2020-21 (excluding music and sports) include:- Foreign Languages Film Club, Arts and Crafts Club, iDEA (Inspiring Digital Enterprise Award), Year 7 Film Club, Senior Forest School, Senior Chess Club, Y7-9 Science Club, Magic Club, Table Tops Games Club, Warhammar, Formula 24, Psychology Club, European Youth Parliament Debating, Archery and Code Club.

During the 2020 Covid lockdown the House Competition included House Photography, House Construction and House Comedy Competitions. The House Competition remains restricted, but during 2020-21 has nevertheless included House Football, Hockey, Art, Cricket and Athletics Competitions.

Music continues to be a strength of Derby Grammar School, despite ongoing COVID restrictions. Choirs, bands and jazz ensembles have rehearsed when guidance has allowed and several performances have been recorded for online viewing (for example for our Harvest, Remembrance and Christmas Assemblies). The jazz ensemble 'GCHQ' performed at the Derbyshire County Youth Orchestra's summer play day BBQ. Instrumental lessons have been delivered in person for the majority of the year and remotely during Covid. Three Y12/13 pupils have obtained performance diplomas while other pupils have undertaken grade examinations, from Grade 1 to 8 in a wide range of instruments.

The Duke of Edinburgh Award programme has engaged large numbers of pupils. During the summer term of 2021 all pupils in Year 9 and 10 took part in Bronze expeditions (Y10 having been delayed for a year due to Covid). There has also been notable success at Silver and Gold level with a record breaking nine pupils and ex pupils achieving Gold Awards during 2021.

Pupils have continued to enjoy success in regional and national competitions, including the UK Mathematics Challenge at all levels. The Formula 24 team has raced at Goodwood, Aintree and Castle Combe.

Co-curricular trips during Activities Week in summer 2021 saw pupils in Years 7-12 sailing, canoeing and climbing and at the start of the autumn term Year 7 enjoyed an outdoor education residential at Whitemoor Lakes,

Speech and Drama
Speech and Drama lessons remain a popular peripatetic lesson choice, with over 40 pupils participating from Years 3 to 13. LAMDA exams are taken in house at the end of each term

Charitable support
Tanzania
Our partnership with Gedeli B (Ibeshi) School in Mwanza, Tanzania and orphanages in the vicinity is now in its 10th year. We continue to raise money for the project in school (over £2000 in this year's School Charities Week) but due to the impact of COVID pupils have been unable to visit Tanzania since 2019.

YMCA
Our Harvest Festival and Christmas Shoebox appeals provided food, provisions, toiletries and gifts for homeless young people in the Derby area. Donations for the October 2020 Harvest Festival exceeded all previous years, despite the pandemic.

During 2021 the school has also raised money for Children in Need and the Derby Hospital Children's Ward.

Sport
The School continues to benefit from having a dedicated Sports Department of trained PE teachers, delivering PE and Games lessons to all students both in the Junior and Senior parts of the School. This provision is continued within the co-curricular offer and ensures pupils receive excellent input from qualified physical educators. The quality of provision in the PE department is being supplemented by a partnership with Loughborough University that now welcomes trainee teachers into school to complete their Initial Teacher Training.

Pupils test their progress in inter-school matches against other local schools and having smaller year groups means that there are frequent opportunities for school representation in a competitive environment. Mr Smyth has further developed the scholarship programme, which gives invaluable input to our sports scholars on a myriad of topics including:- health and fitness, target setting, nutrition, relaxation, sleep, planning, amongst other things. This both attracts and retains gifted and talented pupils.

The School focuses on rugby, hockey and cricket as its main sports and is well resourced in terms of practice and playing facilities, both on site and at its sports facility at Rykneld. Both indoor and outdoor cricket nets, an artificial wicket, floodlit astro turf, multiple rugby pitches and beautiful grounds inspire our young people to be active and improve their skills and fitness. Pupils in our Primary School receive swimming tuition throughout the academic year, whilst our athletes have access to a tartan running track to further develop their potential.

Unlike many state schools Derby Grammar maintains (within the curriculum) a sporting provision for its co-educational Sixth Form. There are a plethora of opportunities available to both our boys and girls, in addition to the main 3 sports, including basketball, football, table tennis, badminton and fitness, with free choice available to engage our young people in purposeful physical activity to sit alongside their academic study, to encourage and embed exercise into the normal working week.

School Trips
Our commitment to trips and visits to enrich pupils' education continues to be important. During 2021 Primary School visits have included Year 6 to Hollowford Centre for outdoor education, Year 3 and 4 to Derby Cathedral, Bikability Week for various Year groups and Activities Week visits to Cadbury's World and the Sea Life Centre in Birmingham. In the Senior School the priority has been to support academic studies with GCSE Geography fieldwork at Cannock Chase and in Stafford and A Level Geography field work in Cheshire. History fieldwork has seen GCSE pupils visit Hadrian's Wall and A Level Psychology pupils have spent time in Shrewsbury Prison.

Rykneld Sports Centre
At Rykneld Sports Centre investment in new changing facilities has benefited the pupils. The astro turf is swept on a regular basis and is annually 'refreshed', with the addition of sand to the base. This has not only benefited our pupils but also improved school-club links have resulted in external clubs now using the facility as an additional venue for their senior and junior hockey teams.

Unfortunately, COVID has meant that the Sports Centre has remained closed to the general public for much of the year. We look forward to working with the local community and sports clubs to maximise its use once facilities are fully operational.

Financial review
Business Review
The Trustees are satisfied with the results achieved for the year, in what can only be described as quite exceptional trading conditions, as a consequence of the Global Pandemic.

Due consideration has been given to the impact this has had on both the operations and finances of the School for a second year.

The principal focus of our attention has been on the quality of educational provision throughout in order to minimise the impact on our pupils' learning and welfare.

The Trustees would like to register their thanks and appreciation to the Head, Senior Leadership Team and teaching staff for their tireless efforts, desire and willingness to adapt to these difficult conditions.

Once again, pursuant of its charitable objectives the School has continued to support families directly affected by the pandemic with the introduction of structured payment plans and where necessary direct bursarial awards. To a large extent these additional costs to the School were offset by a variety of Government initiatives, including, in particular, the Coronavirus Job Retention Scheme.

As previously reported the School has continued to restructure its operating cost base which now more accurately reflects the education provision and curriculum. Particular attention has been given to the realignment of the marketing and promotional activity to promote the School "Brand Values" with the resultant benefit clearly seen in enquiry levels.

Pupil numbers have remained constant during this period, but unfortunately, we have not felt the full benefit of the investment in our EYFS facilities given the difficulty in arranging tours of the building, and not being able to welcome parents to enjoy an insight into the School through our exciting programme of Open and Taster Days.

The restrictions surrounding COVID directly impacted the Sports Centre which for a large period we were unable to open to the general public, with the resultant impact on revenue. Investment has been made in a dedicated Sports Centre Manager which has already resulted in a significant upturn in occupancy and enquiry levels moving forward.

Finally, The Trustees are extremely grateful for the ongoing support of its benefactors, past Governors and former teachers for their indication of and willingness to support The School in what has to be acknowledged as a challenging period.

Reserves Policy
The balance sheet presents the assets and liabilities of the various funds by type. Note 22 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.

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.

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. 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.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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 continues to be placed as one of the top performing schools in the East Midlands. 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 and pupils remains a key priority. Significant investment in the School's protective measures has been made recently to ensure high levels of compliance during the COVID-19 pandemic. This has included enhanced cleaning regimes and the implementation of the government-advised system of controls.

To ensure any risks are considered and addressed the School has appropriate risk assessments, policies and procedures in place. Staff undertake appropriate and regular training with accredited training providers. Consultation is sought where necessary from external expert agencies, particularly with regards to Health and Safety and safeguarding training.

The Board of Governors is a member of AGBIS which gives expert advice and training to ensure the Governors are suitably trained to oversee the School in this regard. There are sufficient members of the Board to specialise in their sub-committee structure.

Plans for future periods

With the recent opening of provision for Reception, Year 1 and Year 2 the trustees are embarking upon an ambitious phase of growth. The Primary School will go fully co-educational from September 2022 and the Senior School from September 2023. Links with local nurseries, pre-schools and Primaries are being reinstated, with community events planned for 2022, including stay and play and forest school events.

The school has expanded its sports provision through the opening of a gym and weights room. This is open to the public and offered free to staff at certain times to enhance well-being. Additions to the programme of girls' games have been well received, and we are looking to embed and develop this further as the school attracts increasing numbers of girls into the co-educational Sixth Form and Primary School.

Plans for the development of a new library and independent study facility, particularly for Sixth Form use, in the main school building have borne fruit, and we will be looking at further enhancements of facilities.

The trustees are seeking to further develop the IT facilities and infrastructure of the School. Investment has been made in in-class technology, purchasing the latest SMART interactive white boards for a number of subject areas, with more or better alternatives to be installed in 2022. As a Google Education Suite School, more Chromebooks have been bought to enable further IT-based learning, independent learning and research skills to be developed. In addition, a new rolling programme of external and internal redecoration has begun.

Having rolled out a successful online learning programme for pupils during the COVID pandemic, investment has been made in new hardware, such as in-class webcams and visualisers, new educational software, staff training and virtual educational platforms such as Microsoft Teams, to enhance this provision. Any future necessity of online education is therefore fully resourced.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs S Flear	(Resigned 22 April 2022)
Mr A Gentles	
Mr J Pugh-lewis	
Mrs M Viles	
Mr I Louch	
Mrs D M Cadman	
Mrs N K Virk	
Mr S D Richardson	(Resigned 21 September 2020)
Mr I D Beardmore	(Resigned 21 September 2020)

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.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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

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 and AGBIS.

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.

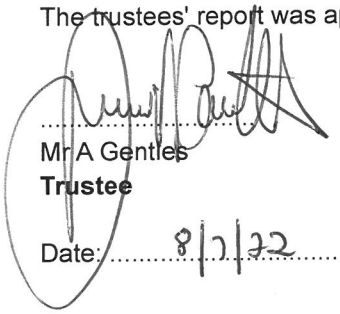
An amount of £41k remains as an interest free loan to the school with no fixed date for repayment.

The Trustees are grateful to DGS Foundation for its continuing support.

Auditor
In accordance with the company's articles, a resolution proposing that HSKS Greenhalgh be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Mr A Gentles
Trustee

Date: 8/12/22

DERBY GRAMMAR SCHOOL TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2021

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

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

DERBY GRAMMAR SCHOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DERBY GRAMMAR SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Derby Grammar School Trust Limited (the 'charity') for the year ended 31 July 2021 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the Charitable Company's activities and its control environment. We also enquired of management about their identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework in which the Charitable Company operates and identified key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements, which included the Companies Act 2006, tax legislation and payroll legislation; and
- Did not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Company's ability to operate.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how / where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of accounting adjustments and journal entries, assessed whether accounting estimates were reasonable and accurate and reviewed the accounting records for any significant and unusual transactions.
In addition, our procedures to respond to the risks identified included:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected variances that may indicate risks of material misstatement due to fraud;
- Enquiring of management about any instances of non-compliance with laws and regulations and any instances of known or suspected fraud; and
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. This risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DERBY GRAMMAR SCHOOL TRUST LIMITED

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.

HSKS Greenhalgh

Philip Handley FCA (Senior Statutory Auditor)
for and on behalf of HSKS Greenhalgh

8th July 2022

Chartered Accountants
Statutory Auditor

18 St Christopher's Way
Pride Park
Derby
DE24 8JY

DERBY GRAMMAR SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	244,048	-	244,048	308,995	-	308,995
Charitable activities	4	2,821,194	-	2,821,194	2,824,216	-	2,824,216
Investments	5	715	-	715	1,287	123	1,410
Total income and endowments		3,065,957	-	3,065,957	3,134,498	123	3,134,621
Expenditure on:							
Charitable activities	6	2,933,047	-	2,933,047	2,939,561	-	2,939,561
Other	10	19,410	-	19,410	19,990	-	19,990
Total expenditure		2,952,457	-	2,952,457	2,959,551	-	2,959,551
Net incoming resources		113,500	-	113,500	174,947	123	175,070
Other recognised gains and losses							
Revaluation of tangible fixed assets		52,610	-	52,610	-	-	-
Net movement in funds		166,110	-	166,110	174,947	123	175,070
Fund balances at 1 August 2020		1,439,042	10,722	1,449,764	1,264,095	10,599	1,274,694
Fund balances at 31 July 2021		1,605,152	10,722	1,615,874	1,439,042	10,722	1,449,764

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

DERBY GRAMMAR SCHOOL TRUST LIMITED

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2021

	Unrestricted funds 2021 £	2020 £
Gross income	**3,065,957**	3,134,498
Total expenditure from income funds	**2,952,457**	2,959,551
Net income for the year	**113,500**	174,947

DERBY GRAMMAR SCHOOL TRUST LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**12**		2,627,000		2,552,043
Investments	**13**		28,337		28,337
			2,655,337		2,580,380
Current assets					
Stocks	**14**	1,385		2,810	
Debtors	**15**	108,160		143,863	
Cash at bank and in hand		27,514		196,155	
		137,059		342,828	
Creditors: amounts falling due within one year	**18**	(1,026,666)		(425,109)	
Net current liabilities			(889,607)		(82,281)
Total assets less current liabilities			1,765,730		2,498,099
Creditors: amounts falling due after more than one year	**19**		(149,856)		(1,048,335)
Net assets			1,615,874		1,449,764
Capital funds					
Endowment funds - general	**21**		10,722		10,722
Income funds					
Unrestricted funds					
General unrestricted funds		1,552,542		1,439,042	
Revaluation reserve		52,610		-	
			1,605,152		1,439,042
			1,615,874		1,449,764

The financial statements were approved by the Trustees on ....8/7/22.....

.....

Mr A Gentles
Trustee

Company Registration No. 02739356

DERBY GRAMMAR SCHOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		40,872		(225,066)
Investing activities					
Purchase of tangible fixed assets		(200,332)		(253,957)	
Investment income received		715		1,410	
Net cash used in investing activities			(199,617)		(252,547)
Financing activities					
Proceeds from borrowings		-		806	
Repayment of bank loans		(8,723)		(24,389)	
Payment of obligations under finance leases		(1,173)		(7,036)	
Net cash used in financing activities			(9,896)		(30,619)
Net decrease in cash and cash equivalents			(168,641)		(508,232)
Cash and cash equivalents at beginning of year			196,155		704,387
Cash and cash equivalents at end of year			27,514		196,155

1 Accounting policies

Charity information

Derby Grammar School Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Rykneld Hall, Rykneld Road, Littleover, Derby, Derbyshire, DE23 4BX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets which are included at market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The Board of Trustees has considered the impact of the ongoing global pandemic on the School operations and finances. Notably the pandemic has had a significant financial impact on its ability to let the sports facility, which has been closed to the public under government guidelines. However, the School has mitigated the impact of that closure through support packages provided by the government and cost reductions. However, the relatively small size of the School means that the ability to pursue any support packages through furlough or cost reductions are limited. The School's aim through the pandemic has been to ensure that the delivery of excellent academic provision is not compromised, whilst protecting the financial position of the School in these challenging times.

The School has traditionally met its day to day working capital requirements through an overdraft facility of £500k. Fees are only paid by parents on a termly basis and as such that there is considerable variation in the timing of cashflow. However, the School did not have to use the overdraft facility during the year to 31 July 2021.

The School has prepared cash flow forecasts for the period to 31 July 2023 and continues to closely monitor the impact of the pandemic on finances.

As at 31 July 2021 the Trust had net assets of over £1.6m which has increased on the prior year. The Board of Trustees acknowledges that net current liabilities are £890k at the balance sheet date. However, included in creditors are bank loans of £718k that based on the final repayment date have significantly increased the value of net current liabilities this year. The bank loan facility has since been successfully renewed. Further details are given in note 23.

The School also has key benefactors who have signified their willingness to continue to support the School, although there is no expectation that this will be required based on forecast information.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1 Accounting policies **(Continued)**

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

The endowment fund is in respect of funds for prizes awarded on Speech Day every year. Further explanation of each fund is detailed in note 21.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government and other grants are recognised in the Statement of Financial Activities in the period to which they relate when there is a reasonable assurance that the charity will comply with conditions attaching to them and the grants will be received.
School fees receivable represent invoiced fees for education supplied and are recognised in the year to which they relate. School fees recognised are reported net of any scholarships, bursaries or other allowances granted by the charity.

Income from other trading activities, including non-ancillary trading income is recognised as it is earned from any services supplied.

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

1.5 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 reasonably.

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

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, or if held under a finance lease, over the lease term, whichever is the shorter, on the following bases:

Freehold land and buildings	straight line over varying numbers of years
Plant and equipment	at varying rates on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The charity has adopted the revaluation model for properties where fair value can be measured reliably. The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by qualified valuers. Revaluation gains and losses are recognised in other Statement of Financial Activities and accumulated funds.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred. Surpluses and deficiencies arising on sale are reflected in the year of disposal.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

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

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Taxation

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

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.14 Retirement benefits

The charity participated in a multi employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff until 31 December 2019. 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 charity. Accordingly, under Section 28 of FRS 102 the scheme is accounted for as if it were a defined contributions scheme.

From 1 January 2020 the charity has operated a defined contribution scheme for teaching staff.

The charity also operates a money purchase scheme for non teaching staff.

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets 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.

1.16 Foreign exchange

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 the transaction. Exchange differences are taken into account in arriving at the operating result.

1.17 Concessionary loans

Concessionary loans are initially measured at the amount received or paid.

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

1.18 Debtors

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	217,358	308,425
Government grants	26,500	-
Gift aid	190	570
	244,048	308,995

Further details on amounts included within donations and gifts are given in note 11.

4 Charitable activities

	Education 2021 £	Welfare 2021 £	Support 2021 £	Total 2021 £	Education 2020 £	Welfare 2020 £	Premises 2020 £	Support 2020 £	Total 2020 £
School fees	2,555,969	103,101	-	2,659,070	2,489,966	85,816	-	-	2,575,782
Registration fees	4,841	-	-	4,841	4,170	-	-	-	4,170
Performance related grants	118,972	-	-	118,972	121,663	-	-	-	121,663
Rents received	6,721	-	-	6,721	7,690	-	-	-	7,690
Other income	12,272	-	19,318	31,590	85,024	44	3,999	25,844	114,911
	2,698,775	103,101	19,318	2,821,194	2,708,513	85,860	3,999	25,844	2,824,216

5 Investments

	Unrestricted funds	Unrestricted funds	Endowment funds general	Total
	2021	2020	2020	2020
	£	£	£	£
Other investment income	715	-	-	-
Interest receivable	-	1,287	123	1,410
	715	1,287	123	1,410

6 Charitable activities

	Education	Welfare	Premises	Support	Finance	Total 2021	Total 2020
	2021 £	2021 £	2021 £	2021 £	2021 £	£	£
Staff costs	1,912,744	99,418	35,896	209,487	-	2,257,545	2,265,860
Depreciation and impairment	-	-	(49,023)	68,877	-	19,854	59,225
Hire of plant and machinery	-	-	-	22,519	-	22,519	14,855
Rates and refuse collection	-	-	26,971	-	-	26,971	24,812
Insurance	-	-	35,505	-	-	35,505	32,549
Utilities	-	-	63,248	-	-	63,248	80,622
Telephone	-	-	-	3,917	-	3,917	4,958
Postage and stationery	-	-	-	7,089	-	7,089	8,264
Marketing	-	-	-	51,475	-	51,475	47,060
Sundry expenses	501	-	-	30,629	-	31,130	14,777
Motor expenses	6,392	2,196	-	-	-	8,588	5,530
Repairs and maintenance	-	(85)	66,286	73,435	-	139,636	118,664
Legal and professional fees	-	-	-	56,976	-	56,976	46,037
Bank charges	-	-	-	-	5,308	5,308	5,741
Other school operating costs	89,303	46,313	15,729	24,148	-	175,493	206,724
Bad debts	13,658	-	-	-	-	13,658	(8,178)
	2,022,598	147,842	194,612	548,552	5,308	2,918,912	2,927,500
Share of governance costs (see note 7)	-	-	2,485	11,650	-	14,135	12,061
	2,022,598	147,842	197,097	560,202	5,308	2,933,047	2,939,561

6 Charitable activities (Continued)

For the year ended 31 July 2020

	Education	Welfare	Premises	Support	Finance	Total 2020
	£	£	£	£	£	£
Staff costs	1,938,424	71,884	60,545	195,007	-	2,265,860
Depreciation and impairment	-	-	-	59,225	-	59,225
Hire of plant and machinery	-	-	-	14,855	-	14,855
Rates and refuse collection	-	-	24,812	-	-	24,812
Insurance	-	-	32,549	-	-	32,549
Utilities	-	-	80,622	-	-	80,622
Telephone	-	-	-	4,958	-	4,958
Postage and stationery	-	-	-	8,264	-	8,264
Marketing	-	-	-	47,060	-	47,060
Sundry expenses	-	-	810	13,967	-	14,777
Motor expenses	5,530	-	-	-	-	5,530
Repairs and maintenance	-	2,510	63,081	53,073	-	118,664
Legal and professional fees	-	-	-	46,037	-	46,037
Bank charges	-	-	-	-	5,741	5,741
Other school operating costs	121,602	41,660	16,940	26,522	-	206,724
Bad debts	(8,178)	-	-	-	-	(8,178)
	2,057,378	116,054	279,359	468,968	5,741	2,927,500
Share of governance costs (see note 7)	-	-	2,028	10,033	-	12,061
	2,057,378	116,054	281,387	479,001	5,741	2,939,561
Analysis by fund						
Unrestricted funds	2,057,378	116,054	281,387	479,001	5,741	2,939,561

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Audit fees	-	8,720	8,720	-	8,580	8,580
Accountancy	-	2,930	2,930	-	1,453	1,453
Insurance	-	2,485	2,485	-	2,028	2,028
	-	14,135	14,135	-	12,061	12,061
Analysed between						
Charitable activities	-	14,135	14,135	-	12,061	12,061

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
School	48	51
Catering	6	6
Administration	8	7
Property	8	8
Marketing	1	1
Sports Centre	3	3
Total	74	76

Employment costs	2021 £	2020 £
Wages and salaries	1,752,441	1,755,892
Social security costs	226,758	166,017
Other pension costs	278,346	343,951
	2,257,545	2,265,860

9 Employees (Continued)

The charity participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff until 31 December 2019. The pension charge for the year includes contributions payable to the TPS of £518 (2020- £120,274) and at the year-end £nil (2020- £nil) 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 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Had the charity not left the scheme on 31 December 2019 this employer rate would have been payable until the outcome of the next actuarial valuation which was due to be prepared as at 31 March 2020, with any resulting changes to the employer rate expected to take effect from 1 April 2023. 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.

In October 2019 the charity commenced a defined contribution scheme with Aviva which became the sole scheme for teaching staff from 1 January 2020. The cost for the year represents the charity's contributions to this scheme of £231,652 (2020- £177,308).

The school also administers an auto enrolment scheme, The People's Pension, for its non-teaching staff. The cost for the year represents the charity's contributions to the auto enrolment scheme of £19,889 (2020- £25,460).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

Pension contributions made in respect of higher paid employees totalled £15,260 (2020- £17,226).

10 Other

	Unrestricted funds 2021	Unrestricted funds 2020
Financing costs	19,410	19,990
	19,410	19,990

11 Exceptional items

Included within donations and gifts receivable of £217,358 (2020- £308,425) is an amount of £206,848 (2020- £250,000) relating to donations from a related charity, Derby Grammar School Foundation. This donation was effected on 9 July 2021 (2020- 3 May 2020) via the release from an obligation to repay loan funding received in previous years. Further details relating to this related charity are shown in note 24.

12 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 August 2020	2,939,362	1,168,994	63,830	4,172,186
Additions	9,971	32,230	-	42,201
Revaluation and impairment	101,633	-	-	101,633
At 31 July 2021	3,050,966	1,201,224	63,830	4,316,020
Depreciation and impairment				
At 1 August 2020	524,164	1,042,676	53,303	1,620,143
Depreciation charged in the year	19,965	40,385	8,527	68,877
At 31 July 2021	544,129	1,083,061	61,830	1,689,020
Carrying amount				
At 31 July 2021	2,506,837	118,163	2,000	2,627,000
At 31 July 2020	2,415,198	126,318	10,527	2,552,043

The school's properties were independently valued on an operating unit basis on 17 March 2022 by Jonathan Barnett BSc (Hons) MRICS of Lambert Smith Hampton at a total valuation of £2,625,000 of which £2,100,000 is attributable to the school and £525,000 to the sports centre. Of these valuations respective amounts of £1,992,157 and £514,680 are attributable to land and buildings with the remaining balances being the net book values of respective plant and equipment assets.

Although these valuations were carried out in March 2022 the trustees' are of the opinion that the values provided are a fair valuation of these assets as at the balance sheet date.

At 31 July 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £2,454,227 (2020 - £2,415,196).

Revaluation and impairment included in cost or valuation consists of £94,122 reversal of prior year impairment plus £52,610 revaluation surplus, both in respect of the sports centre, less £45,099 impairment of school buildings. These values are all recognised in the Statement of Financial Activities with the net impairment income of £49,023 recognised as a negative cost attributable to property as detailed in note 6.

All freehold land and buildings have been pledged to secure the bank borrowings of the charity.

The net book value of tangible fixed assets includes £nil (2020- £ 10,527) in respect of assets held under hire purchase contracts. These assets are also the security held by the lender in respect of associated hire purchase liabilities.

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2020 & 31 July 2021	28,337
Carrying amount	
At 31 July 2021	28,337
At 31 July 2020	28,337

There were no investment assets outside the UK.

The unrestricted fund investments comprise historic assets donated to the charity.

14 Stocks

	2021 £	2020 £
Stocks	1,385	2,810

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	40,943	34,230
Other debtors	12,571	11,054
Prepayments and accrued income	54,646	98,579
	108,160	143,863

16 Loans and overdrafts

	2021 £	2020 £
Bank loans	717,833	726,556
Other loans	85,701	304,459
	803,534	1,031,015
Payable within one year	762,878	67,976
Payable after one year	40,656	963,039

16 Loans and overdrafts (Continued)

There is in place an overdraft facility of £500,000, which was renewed in May 2019.

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

Barclays Bank holds the following security for its loan and overdraft facilities:
- a first legal charge over the charity's buildings and certain property
- a debenture over the charity's other assets
- a first legal charge over Rykneld Sports Centre

The bank loan of £717,833 (2020- £726,556) funded the purchase of Rykneld Sports Hall.

The bank 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 bank loan carries interest at a variable rate set at 2.3% above the base rate of Barclays Bank plc.

Other loans comprise a concessionary loan of £40,656 (2020- £249,144) and a benefactor loan of £45,045 (2020- £55,315).

The concessionary loan advanced to Derby Grammar School Trust Limited by Derby Grammar School Foundation was for the purpose of furthering the objectives of the public benefit entity, is interest free and has no fixed repayment date.

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 £45,045 (2020- £55,315) which remain interest free. Loans from benefactors have no fixed date for repayment.

17 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021	2020
	£	£
Within one year	-	1,173

Hire purchase contracts are secured on the funded asset.

18 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	16	717,833	12,661
Obligations under finance leases	17	-	1,173
Other borrowings		45,045	55,315
Other taxation and social security		42,021	41,536
Payments received on account		52,301	54,514
Trade creditors		81,184	20,397
Other creditors		59,665	54,729
Accruals and deferred income		28,617	184,784
		1,026,666	425,109

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	16	-	713,895
Other borrowings		40,656	249,144
Other creditors		109,200	85,296
		149,856	1,048,335

20 Secured debts

Information about secured debts is given in notes 12 and 16.

21 Endowment funds

Endowment funds represent assets held by the charity to fund prizes awarded on Speech Day each year. Further details of each fund are given below.

		Movement in funds					Movement in funds				
	Balance at 1 August 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 August 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 July 2021
	£	£	£	£	£	£	£	£	£	£	£
Permanent endowments											
Prize funds	10,599	123	-	-	-	10,722	-	-	-	-	10,722
	10,599	123	-	-	-	10,722	-	-	-	-	10,722

The Caroline Booth Memorial Prize Funds of £2,196 (2020- £2,196) 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 of £1,075 (2020- £1,075) 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 of £2,082 (2020- £2,082) was established in 2000 by His Grace the Duke of Devonshire to fund a prize for natural sciences.

The Dermot Murray Prize Fund of £2,658 (2020- £2,658) 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 of £1,216 (2020- £1,216) 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 of £972 (2020- £972) was established in 2004 by Mr S Critchell-Ward to fund the Esprit de Corps prize.

The Roger Waller Fund of £523 (2020- £523) was established in 2008 by a former headmaster to fund a chemistry prize.

22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Fund balances at 31 July 2021 are represented by:						
Tangible assets	2,627,000	-	2,627,000	2,552,043	-	2,552,043
Investments	27,609	728	28,337	27,609	728	28,337
Current assets/ (liabilities)	(941,897)	9,994	(889,607)	(134,571)	9,994	(82,281)
Long term liabilities	(107,560)	-	(149,856)	(1,006,039)	-	(1,048,335)
	1,605,152	10,722	1,615,874	1,439,042	10,722	1,449,764

23 Events after the reporting date

The bank loan facility was renewed on 6 March 2022 for an amount of £750,000 repayable over 10 years at a fixed rate of interest of 4.79%.

24 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Loans amounting to £nil (2020- £806) were received from a charitable organisation, with which the charity is affiliated, as noted in the Report of the Trustees. During the year the charity was released from the obligation to repay loans to a total of £206,848 (2020- £260,000) as referred in note 11. As at the balance sheet date amounts owed to the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £40,656 (2020- £249,144).

At the year end the charity owed £45,045 (2020- £55,315) to former trustees. During the year loans amounting to £10,270 (2020- £20,110) were forgiven by these individuals and are reflected in donations and gifts in the statement of financial activities.

Four governors have children who attend the School. No fee discounts or benefits are provided to those families due to their positions on the Board of Trustees.

25 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	113,500	175,070
Adjustments for:		
Investment income recognised in statement of financial activities	(715)	(1,410)
Depreciation and impairment of tangible fixed assets	19,854	59,225
Movements in working capital:		
Decrease in stocks	1,425	147
Decrease/(increase) in debtors	35,703	(56,685)
(Decrease) in creditors	(128,895)	(401,413)
Cash generated from/(absorbed by) operations	40,872	(225,066)

26 Analysis of changes in net (debt)/funds

	At 1 August 2020	Cash flows	Other non-cash changes	At 31 July 2021
	£	£	£	£
Cash at bank and in hand	196,155	(168,641)	-	27,514
Loans falling due within one year	(67,976)	8,723	(703,625)	(762,878)
Loans falling due after more than one year	(963,039)	-	922,383	(40,656)
Obligations under finance leases	(1,173)	1,173	-	-
	(836,033)	(158,745)	218,758	(776,020)

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