

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

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

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# 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

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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.



# **DERBY GRAMMAR SCHOOL TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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### **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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### 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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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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.

# **DERBY GRAMMAR SCHOOL TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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### **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.

# **DERBY GRAMMAR SCHOOL TRUST LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 JULY 2022**

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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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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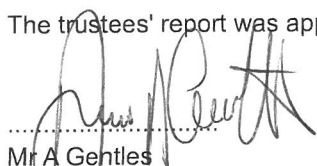
### Disclosure of information to auditor

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***

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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

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#### 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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF DERBY GRAMMAR SCHOOL TRUST LIMITED

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#### **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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF DERBY GRAMMAR SCHOOL TRUST LIMITED

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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

30<sup>th</sup> 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 Unrestricted funds 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
<b>Income from:</b>							
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
<b>Total income</b>		<b>3,191,142</b>	<b>-</b>	<b>3,191,142</b>	<b>3,065,957</b>	<b>-</b>	<b>3,065,957</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>3,269,306</b>	<b>-</b>	<b>3,269,306</b>	<b>2,952,457</b>	<b>-</b>	<b>2,952,457</b>
<b>Net (outgoing)/incoming resources</b>		<b>(78,164)</b>	<b>-</b>	<b>(78,164)</b>	<b>113,500</b>	<b>-</b>	<b>113,500</b>
<b>Other recognised gains and losses</b>							
Revaluation of tangible fixed assets		-	-	-	52,610	-	52,610
<b>Net movement in funds</b>		<b>(78,164)</b>	<b>-</b>	<b>(78,164)</b>	<b>166,110</b>	<b>-</b>	<b>166,110</b>
Fund balances at 1 August 2021		1,605,152	10,722	1,615,874	1,439,042	10,722	1,449,764
<b>Fund balances at 31 July 2022</b>		<b>1,526,988</b>	<b>10,722</b>	<b>1,537,710</b>	<b>1,605,152</b>	<b>10,722</b>	<b>1,615,874</b>

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
<b>Earnings before interest and depreciation</b>	<b>31,887</b>	<b>152,764</b>

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## BALANCE SHEET

AS AT 31 JULY 2022

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

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



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 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(6,326)		40,872
<b>Investing activities</b>					
Purchase of tangible fixed assets		(82,233)		(200,332)	
Investment income received		30		715	
<b>Net cash used in investing activities</b>			(82,203)		(199,617)
<b>Financing activities</b>					
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)	
<b>Net cash generated from/(used in) financing activities</b>			21,278		(9,896)
<b>Net decrease in cash and cash equivalents</b>			(67,251)		(168,641)
Cash and cash equivalents at beginning of year			27,514		196,155
<b>Cash and cash equivalents at end of year</b>			(39,737)		27,514
<b>Relating to:</b>					
Cash at bank and in hand			948		27,514
Bank overdrafts included in creditors payable within one year			(40,685)		-

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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### 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.



# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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.



# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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### 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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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
	<u>11,582</u>	<u>244,048</u>

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

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

### 4 Charitable activities

	Education	Welfare	Support	Total	Education	Welfare	Support	Total
	2022	2022	2022	2022	2021	2021	2021	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

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 JULY 2022*

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### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other investment income	30	715
	<u>      </u>	<u>      </u>

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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
<b>Analysis by fund</b>							
Unrestricted funds	2,190,237	174,590	347,410	520,065	4,049	3,236,351	2,933,047

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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
	<u>2,022,598</u>	<u>147,842</u>	<u>194,612</u>	<u>548,552</u>	<u>5,308</u>	<u>2,918,912</u>
Share of governance costs (see note 7)	-	-	2,485	11,650	-	14,135
	<u>2,022,598</u>	<u>147,842</u>	<u>197,097</u>	<u>560,202</u>	<u>5,308</u>	<u>2,933,047</u>
<b>Analysis by fund</b>						
Unrestricted funds	<u>2,022,598</u>	<u>147,842</u>	<u>197,097</u>	<u>560,202</u>	<u>5,308</u>	<u>2,933,047</u>

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 7 Support costs

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



# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 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 Taxation of 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 Motor vehicles equipment		Total
	£	£	£	£
<b>Cost or valuation</b>				
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
<b>Depreciation and impairment</b>				
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
<b>Carrying amount</b>				
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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 14 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 August 2021 & 31 July 2022	28,337
<b>Carrying amount</b>	
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 £
<b>Amounts falling due within one year:</b>		
Trade debtors	55,245	40,943
Other debtors	30,849	12,571
Prepayments and accrued income	41,806	54,646
	127,900	108,160

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 17 Loans and overdrafts

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

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.

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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
		<u>398,533</u>	<u>1,026,666</u>

### 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
		<u>855,883</u>	<u>149,856</u>

### 20 Secured debts

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

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 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 £
<b>Permanent endowments</b>					
Prize funds	10,722	-	10,722	-	10,722
	<u>10,722</u>	<u>-</u>	<u>10,722</u>	<u>-</u>	<u>10,722</u>

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 Unrestricted funds 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)
	<u>1,526,988</u>	<u>10,722</u>	<u>1,537,710</u>	<u>1,605,152</u>	<u>10,722</u>	<u>1,615,874</u>

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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)/surplus 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)
<b>Cash (absorbed by)/generated from operations</b>	<b>(6,326)</b>	<b>40,872</b>

# DERBY GRAMMAR SCHOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 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)
	<u>27,514</u>	<u>(67,251)</u>	<u>-</u>	<u>(39,737)</u>
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)
	<u>(776,020)</u>	<u>(307,287)</u>	<u>218,758</u>	<u>(864,549)</u>



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