

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.

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

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

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

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

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE PERIOD ENDED 31 MARCH 2024**

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 require an audit. Accordingly HSKSG Audit Limited have not been reappointed as auditors of the charity.

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

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2024

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.

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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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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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 £	£	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

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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 £	£	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)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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
	<u>2,094,500</u>	<u>3,126,766</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	<u>15</u>	<u>30</u>

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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)
	<u>1,500,259</u>	<u>209,595</u>	<u>264,326</u>	<u>434,109</u>	<u>19,187</u>	<u>2,427,476</u>	<u>4,349,358</u>
Share of governance costs (see note 8)	-	-	2,482	16,903	-	19,385	11,734
	<u>1,500,259</u>	<u>209,595</u>	<u>266,808</u>	<u>451,012</u>	<u>19,187</u>	<u>2,446,861</u>	<u>4,361,092</u>
Analysis by fund							
Unrestricted funds	<u>1,500,259</u>	<u>209,595</u>	<u>266,808</u>	<u>451,012</u>	<u>19,187</u>	<u>2,446,861</u>	<u>4,361,092</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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)
	<u>2,195,841</u>	<u>239,295</u>	<u>1,319,731</u>	<u>584,624</u>	<u>9,867</u>	<u>4,349,358</u>
Share of governance costs (see note 8)	-	-	544	11,190	-	11,734
	<u>2,195,841</u>	<u>239,295</u>	<u>1,320,275</u>	<u>595,814</u>	<u>9,867</u>	<u>4,361,092</u>
Analysis by fund						
Unrestricted funds	<u>2,195,841</u>	<u>239,295</u>	<u>1,320,275</u>	<u>595,814</u>	<u>9,867</u>	<u>4,361,092</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

8 Support costs

	Support costs £	Governance costs £	2024 Support costs £	Governance costs £	2023 £
Audit fees	-	13,290	13,290	-	8,393
Accountancy	-	3,613	3,613	-	2,797
Insurance	-	2,482	2,482	-	544
	-	19,385	19,385	-	11,734
Analysed between Charitable activities	-	19,385	19,385	-	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 Number	2023 Number
School	48	45
Catering	-	4
Administration	6	8
Property	2	6
Marketing	2	2
Sports Centre	4	3
Total	62	68

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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
	<u>1,501,502</u>	<u>2,353,521</u>

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 Number	2023 Number
£80,001 - £90,000	<u>1</u>	<u>1</u>

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

12 Other

	Unrestricted funds 2024	Unrestricted funds 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
	<u>407,426</u>	<u>35,435</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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 Motor vehicles equipment £	£	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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 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
	<u>-</u>	<u>1,226,311</u>
Payable within one year	-	524,507
Payable after one year	-	701,804
	<u>-</u>	<u>1,226,311</u>
Amounts included above which fall due after five years:		
Payable by instalments	-	(119,618)
Payable other than by instalments	-	(470,825)
	<u>-</u>	<u>(590,443)</u>

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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
		<u>44,021</u>	<u>868,453</u>

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
		<u>-</u>	<u>789,604</u>

24 Secured debts

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

25 Retirement benefit schemes

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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)	-
	<u>10,722</u>	<u>(10,722)</u>	<u>-</u>
Previous year:	At 1 August 2022 £	Transfers £	At 31 July 2023 £
Permanent endowments			
Prize funds	10,722	-	10,722
	<u>10,722</u>	<u>-</u>	<u>10,722</u>

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 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)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2024

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	-
	<u>(465,473)</u>	<u>475,087</u>	<u>9,614</u>
Loans falling due within one year	(58,818)	58,818	-
Loans falling due after more than one year	(701,804)	701,804	-
	<u>(1,226,095)</u>	<u>1,235,709</u>	<u>9,614</u>